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வருடாந்த அறிக்கை
ANNUAL REPORT

2020

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இலங்கை அரசு மருந்தகக் கூட்டுத்தாபனம்
State Pharmaceuticals Corporation of Sri Lanka



ANNUAL REPORT

2020

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA

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YOUR HEALTH IS OUR CONCERN





OUR VISION

To become the prime partner in developing a healthier Nation

OUR MISSION

To be the leading healthcare organization serving the general public of Sri Lanka by providing safe, effective and high-quality medical products and health services at affordable prices, while promoting the usage of generic drugs.

OUR GOALS

Services to the people is foremost
Quality and safety
Integrity never to be compromised
Reliable partner and effective team player
Passion for performance excellence
Innovation, the lifeblood

OUR SLOGAN

Your health is our concern

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA
FINANCIAL HIGHLIGHTS

Description	2020 Rs. '000'	2019 Rs. '000'	Variation (%)	2018 Rs. '000'
Revenue - SPC	8,798,047	8,924,850	(1.4)	7,458,320
Supplies to DHS	54,323,565	42,959,659	26.5	31,436,986
Total Revenue	63,121,612	51,884,510	21.7	38,895,306
Gross Trading Profit SPC	2,249,676	2,279,155	(1.3)	1,772,559
Gross Surplus DHS	3,415,073	2,717,507	25.7	2,125,052
Gross Surplus	5,664,749	4,996,662	13.4	3,897,611
Other Income	287,363	91,441	214.3	73,072
Administrative Expenses	(1,753,834)	(1,619,555)	(8.3)	(1,532,484)
Other Operating Expenses	(962,078)	(971,096)	0.9	(691,968)
Finance Cost	(10,588)	(10,763)	1.6	(1,512)
Overdraft Interest	(686,878)	(317,470)	(116.4)	(67,405)
Finance Income	6,890	6,875	(0.2)	7,436
Profit Before Tax	2,545,624	2,176,094	(17.0)	1,684,750
Defined Benefit Plan	(191,755)	(1,926)	(9,856.1)	30,453
Taxation	(576,401)	(512,224)	(12.5)	(756,823)
Total Comprehensive Income	1,777,468	1,661,944	(7.0)	958,380
Retained Earnings	12,208,679	10,431,211	17.0	8,769,268
Contributed Capital & Reserve	125,117	125,117	-	125,117
Non Current Assets	2,329,488	2,277,480	2.3	2,225,336
Current Assets	39,074,581	31,550,527	23.8	20,442,691
Non Current Liabilities	11,908,162	294,459	(3,944.1)	271,308
Current Liabilities	17,162,111	22,977,220	25.3	13,502,334
Net Current Assets	21,912,470	8,573,307	155.6	6,940,357
Ratios				
Gross Profit Ratio (%) SPC	25.6	25.5		23.8
Gross Profit Ratio (%) DHS	6.3	6.3		6.8
Gross Surplus to Sales (%)	9.0	9.6		10.1
Return on Capital Employed (%)	7.7	23.0		19.1
Interest Cover (times)	4.7	7.9		26.0
Equity to total Assets (times)	1:3.3	1:3.2		1:2.5
Turnover to Capital Employed (time)	2.6:1	4.8:1		4.2:1
Current Ratio (time)	1:2.7	1:1.3		1:1.5
Liquidity Ratio (time)	1:2.1	1:1.2		1:1.3
Stock Turnover Ratio - SPC (time)	2.3	2.35		2.45
Other Information				
Number of Employees	956	971		931
Earning per Employee (Rs.)	2,663	2,241		1,810
Sales per Employee (Rs.)	66,027	53,434		41,778

BOARD OF DIRECTORS & CORPORATE INFORMATION

Board of Directors

Dr. Prasanna Gunasena - Chairman

Dr. Prasanna Gunasena is an eminent Consultant Neurosurgeon. He holds an MS and MBBS Degree from the University of Colombo. He is also an FRCS (Royal College of Surgeons, Edinburgh) and Spine Fellow of the University of Toronto. He is a Founder Member of the Neurosurgeons' Association of Sri Lanka and also a Member of the Sri Lanka College of Surgeons. He counts nearly 25 years in Government and Private Medical Service.

Mr. Lalith Jayakody - Managing Director

Mr. Lalith Jayakody has more than 4 decades of experience in the banking sector where he specialized in finance, auditing and operational management. He is a Passed Finalist of the Institute of Chartered Accountants of Sri Lanka and the Institute of Bankers of Sri Lanka. He was the Finance Officer of Peoples Bank and has also worked as the Senior Deputy General Manager of Sampath Bank PLC and Chief Finance Officer and Acting Chief Executive Officer of Pan Asia Bank PLC. He was also a director of Sampath Center Limited.

He has excellent knowledge and skills in Auditing, Strategic Planning, Asset and Liability Management, Finance and Tax Operations coupled with strong business acumen. He has undergone extensive Financial Management Studies at the National University of Singapore (NUS).

Dr. A.K.S.B. de Alwis - Director

Dr. Sunil De Alwis, the Additional Secretary Medical Services of Ministry of Health since July 2018, is involved with policy making, strategic planning, and act as a technical advisor pertaining to the medical services in the Ministry of Health, Sri Lanka.

He has obtained his first degree from Lvov, State Medical Institute of Republic of Ukraine (former Soviet Union) in 1987. Then he joined the Government Medical Service of Sri Lanka as a Medical Officer. Later he obtained his Master degree in Community Medicine (1996) and Doctorate in Medical Administration (2006) from Post Graduate Institute of Medicine, University of Colombo.

Dr. De Alwis has also served a Director of Provincial General Hospital-Rathnapura, Provincial Director of Health Services of North Western Province and the Director of the National Program for Tuberculosis Control and Chest Diseases, the Deputy Director General of Health Services (Education, Training and Research) in the Ministry of Health.

He is also a member of Board of Management of the Post Graduate School of Medical Sciences, University of Peradeniya and the chairperson of the examination board of MD (Medical Administration) in Post Graduate Institute of Medicine, Acting Chairman of the prestigious Ceylon Medical College Council and member of Committee on Medical Education in University Grant Commission of Sri Lanka. He serves as the focal point for Policy and Coordination Committee of the UNDP/UNFPA/UNICEF/WHO/World Bank Special Program of Research, Development and Research Training in Human Reproduction.

Dr. Alwis also has enormous experience working with Health related International Agencies. He has obtained several awards as an appreciation from Sri Lankan and International agencies for his contribution for the health service, including national awards for productivity in several occasions and award from Asia Pacific Action Alliance on Human Resources for Health (AAAH) in 2018 and 2020.

Ms. D.C.W. Hapugoda - Director

Ms D.C.W. Hapugoda is an Additional Director General of the Department of Public Enterprises and a special grade officer of the Sri Lanka Planning Service. She worked in the Department of External Resources, Department of National Budget and Mada dumbara Divisional Secretariat and is in the government service for over 26 years.

Ms. D.C.W. Hapugoda graduated from Sri Jayawardanapura University in Bsc. public Administration special degree with second class (lower division). She obtained a Master of Arts (International Development) degree from the Flinders University of South Australia and has three post- graduate diplomas in the field of development studies, sub-national level planning and economic development. Further, she possesses Chartered Licentiate Certificate and completed professional Part 1 examination of the Institute of Chartered Accountants of Sri Lanka. Ms Hapugoda is currently a member of the Board of Directors of the National Transport Commission. She was a member of the Board of Directors of several state- owned enterprises, representing the General Treasury including the Board of Directors of the Sri Lanka Transport Board, Consumer Affairs Authority, Sri Lanka Bureau of Foreign Employment and postgraduate Institute of Science etc.

Mr. Hirenya de Mel - Director

Mr. Hirenya de Mel is a senior finance professional with extensive experience in diversified business industry domains over 25 years and holds a Post Graduate Diploma in Business Administration & Financial Management from the Institute of Chartered Accountants and Certified Accountants membership. Having started his career at B. R. de Silva & Company (Chartered Accountants) in which he gained the exposure of auditing key Business Industry domains, he went to hold the position of Group Manager Commercial & Financial Affairs in a private establishment for nearly a decade. Currently, he is holding a senior position in Market Development and Expansion related to Government Enterprise Business Strategy at a leading listed Telecom operator in Sri Lanka and His experience with the current employer spans over 15 years. He is passionate and possesses extensive multiple expertise in Financial Management, Financial Services initiatives Corporate Planning and Reporting in particular including Corporate Governance, Risk Management, Sustainability, Capital Management and Compliance.

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA
CORPORATE INFORMATION

Board of Directors

Dr. Prasanna Gunasena	Chairman	
Mr. L. R. Jayakody	Managing Director	(From 16.01.2020)
Dr. A.K.S.B De Alwis	Director	
Dr. B.G.N.Ratnasena	Director	(Till 07.01.2020)
Prof. B.D. Gamage	Director	(From 17.12.2020)
Mr. B. Gunaratne	Director	(From 17.12.2020)
Mr. Hiranya De Mel	Director	(From 29.01.2020)
Dr. P.T.M.K. Harischandra	Director	(From 29.01.2020 to 27.09.2020)
Mrs. D.C.W. Hapugoda	Director	(From 29.01.2020)

Audit Committee

Mrs. D.C.W. Hapugoda	Chairman	
Mr. Hiranya De Mel	Member	
Dr. Sunil De Alwis	Member	
Dr. B.G.N.Ratnasena	Member	(Till 07.01.2020)

Auditors

Auditor General

National Audit Office,
No. 306/72, Polduwa Road, Battaramulla.

Bankers

Bank of Ceylon

Corporate Branch, Bank of Ceylon Mawatha, Colombo 1.

People's Bank

International Division, P. O. Box 437, ANCL. Bldg.,
D R Wijewardana Mawatha, Colombo 10.

Standard Chartered Bank

P. O. Box 112, 37 York Street, Colombo 1.

Commercial Bank of Ceylon Ltd.

City Office, 98 York Street, Colombo 1.

Registered Office

No. 75, Sir Baron Jayatillake Mawatha, Colombo 1.

Date of Incorporation

September 22, 1971

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA MANAGEMENT TEAM



Mr. K. M. D. R. Dassanayake - General Manager

Mr. Dinusha Dassanayake joined the SPC as a Management Trainee on 01/12/1999 and presently holds the General Manager's position w.e.f 01/06/2009. Before appointing as the General Manager He served in HR, Administration, Legal & Commercial Divisions of the Corporation and hold Deputy General Manager Positions in respective Departments. He is a graduate of B.com (Special) in International Trade, from the University of Sri Jayawardenapura. He holds a Masters degree in International Cooperation Specializing International Commercial Law from Nagoya University, Japan. He is an attorney-at-Law. He has also obtained Post Attorney Diploma in International Trade Law from Institute of Advance Legal Studies of Sri Lanka Law College and an Accredited Commercial Mediator.



Mrs. W. A. S. D. K. Perera - Deputy General Manager (Marketing)

Mrs. Suranganie Perera joined the State Pharmaceuticals Corporation in December 1984 and promoted to the post of Deputy General Manager (Marketing) and worked from 01st November 2004 till 01st June 2006. Thereafter, she hold the post of Deputy General Manager (Technical, Laboratory & Production) till 01st August 2014, Again hold the position of Deputy General Manager (Marketing) till to date. She holds a Degree of Bachelor of Science (Physical Science), Diploma in Management, Diploma in Business Management and Master of Business Administration. She is also a registered Pharmacist under Sri Lanka Medical Council. She has more than 35 years of wide knowledge in Marketing and Promoting Quality Assured SPC Generics at SPC.



Mrs. Priyanthi Dassanayake - Deputy General Manager (Procurement & Imports - Surgical)

Mrs. Priyanti Dassanayake joined the SPC as a Management Trainee in 1987 and held the position of Deputy General Manager (Procurement & Imports) from July 2015. She has obtained her BSc Degree in Business Administration from the University of Sri Jayawardenepura and a Masters Degree in Business Studies from the University of Colombo. She has also obtained a Diploma in Purchasing & Material Management from the Institute of Supplies & Materials Management and a Corporate Member of the Institute of Supply & Materials Management.



Ms. Chamari Gamage - Deputy General Manager (Technical, Laboratory & Production)

Mrs. K. G. C. Shanthimala joined the SPC as a Management Trainee on 15th May 1986 and presently holds the Deputy General Manager - Technical, Laboratory & Production position from 03rd July 2018. She has obtained her BSc (Special) Degree in Chemistry from the University of Kelaniya & a Masters Degree in Business Administration from the Open University of Sri Lanka. She is a registered Pharmacist.



**Mrs. Nimmika Thusari - Deputy General Manager
(Human Resources & Administration)**

Mrs. M. R. Nimmika Thushari joined the SPC as Deputy General Manager (HR & Administration) with effect from 01.08.2018. She holds a Bachelor of Science (Human Resources) Special Degree from the University of Sri Jayawardanapura, Post Graduate Diploma in Human Resources Advancement and Master of Human Resources Management from the University of Colombo. She has more than 20 years' experience in the field of Human Resources Management and Administration.



**Mrs. Ayanthi Alwis - Actg. Deputy General Manager
(Procurement & Imports - Pharmaceuticals)**

Mrs. A. H. Alwis the Deputy General Manager Procurement & Import Pharmaceuticals, holds a Bachelor of Science Management Degree (General) and Master of Business Administration from the University of Sri Jayawardanapura. She is further a Diploma holder in Public Procurement and Contract Administration from SLIDA.

She coordinates and manage procurement activities of the four units falls under her purview meeting challenging time frames.



Ms. D. N. Dewasurendra - Actg. Deputy General Manager (Finance)

Ms. D N Dewasurendra joined the SPC as an Accountant on 01st March 2000. She has more than 30 years' experience in the field of Accounting, Financial management & Auditing. She is a member of AATSL & has completed her exams at ICASL up to the final level 1. She has obtained B Com (General) Degree in 2007 from the University of Sri Jayawardenapura & Degree of "Master of Business in Finance" in 2018 from the University of Kelaniya.

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA
MANAGEMENT TEAM

Senior Management

Mrs. P.K. Wijeratne	Manager - Quality Assurance Laboratory	
Mr. M.A.V.I. Kumarasiri	Field Manager (Monitoring of Distribution Systems)	
Mr. D.P. Ajith Liyanage	Manager - Management Information Systems	
Mr. P.K.R. Fernando	Manager Wharf	
Miss. C.S. Withanage	Manager Sales	
Mrs. H.H. Piyadigama	Accountant - Stocks & Pricing	(Till 31.07.2020)
Mrs. D.N. Devasurendra	Accountant - Revenue Actg, D G M - Finance	(From 13.10.2020)
Mrs. P.A.U. Wijewardana	Legal Officer & Secretary to the Board	
Mr. P.M.B.R. Somathilaka	Manager - Production	
Mrs. A.H. Alwis	Manager - Post Delivery Operation Actg, D G M - Procurement & Imports	(From 11.12.2020)
Mr. A.P. Hapangama	Accountant - Financial Accounting	
Mrs. M.K.A.P. Gunathilake	Manager - Promotion & Publicity	
Mr. D.G. D. J. Pushpakumara	Manager - Stores & Inventory Control	
Mr. W.A.S. Wickramarachchi	Manager - Rajya Osusala	(Till 07.07.2020)
Mrs. L.W. Damayanthi	Accountant - Salaries	
Mrs. M.A.S. Karunaratne	Accountant - Rajya Osusala	
Mr. D.K.A.P. Dassanayake	Manager - Administration	
Mr. K.D.F.N. Perera	Manager - Sales	
Mr. B.A.K. Madusanka	Manager - Human Resources	
Mrs. D.D.S. Tharangamala	Manager - Procurement	
Mrs. R. P. Withanage	Manager - Procurement	
Mrs. K.G.S. Perera	Accountant - Payment	
Mr. M.A.D.S.S. Munasinghe	Manager - Imports	
Mr. C.U.M.M. Bandara	Manager - Stores & Inventory Control	
Mr. M.K.C. Krishantha	Manager - Rajya Osusala	
Mr. W. Jayantha	Manager - R.O.S Colombo 07.	
Miss. B.D.K. Fernando	Manager - CPU	
Mr. M.R.M. Rifkhan	Manager - Imports	
Mrs. E.M.H.N.T.K. Ekanayake	Manager - Technical	
Mr. H.N.J. Indunil	Internal Auditor	
Mr. W.A.T. Premawardhane	Manager - Rajya Osusala	(From 28.10.2020)

CHAIRMAN'S MESSAGE



It is a privilege for me to pen down for the Annual Report of State Pharmaceuticals Corporation for the year 2020 as the present chairman of the Corporation.

Year 2021 year is an extraordinary year with a Covid 19 global pandemic that had never happened in the history. State Pharmaceuticals Corporation had to face many challenges during this period to maintain the smooth flow of medicines to the hospitals during the pandemic. Being the sole agent to import of vaccines to Sri Lanka the SPC has taken extra step to register three vaccines by the end of the year 2020.

Rajya Osusala outlets worked uninterruptedly during the year and maintained the services at the most crucial hours of the Nation where private pharmacies were closed during the curfew time and throughout the year. Moreover, when people were restricted at their homes SPC started a home delivery service to supply medicines to home. Since the staff performed that task to the expected level, osusala activities record profit at the end of the year 2020.

The operational activities of "SPC" are two pronged. Supply of Medicines and healthcare items to Medical Supplies Division and to sell in the open market through our Rajya Osusala outlets and distributor channel. The open market operation has recorded sales (1.4%) and Supplies to Medical Supplies Division was enhanced by 26.5% over 2019 amidst limited allocations for Medical Supplies. During the year, Profit before Tax was Rs.2.5 billion. This is an increase of 17% as against the year 2019.

According to the Manifesto of the new government, all drugs and consumables that can be produced with the country to international Standards will be produced locally. The role of SPC in years to come will be more challenging with new initiatives to moving towards local manufacturing.

I sincerely pay my gratitude to the Hon. Secretary to the President for all good guidance and support and Hon. Minister of the State Ministry of Production, Supply and Regulation of Pharmaceuticals and Secretary to the State Ministry for their assistance and support and all other Ministry officials for their Cordial relationship in our Operations.

Finally, I would like to congratulate the Management & Staff of the Corporation for their achievement of the year 2020 whilst being in the Covid -19 pandemic and welcome them to join for the successful year 2021 and future years.

A handwritten signature in blue ink, appearing to read 'Prasanna Gunasena', written over a dotted line.

DR. PRASANNA GUNASENA
CHAIRMAN

MANAGING DIRECTORS REPORT

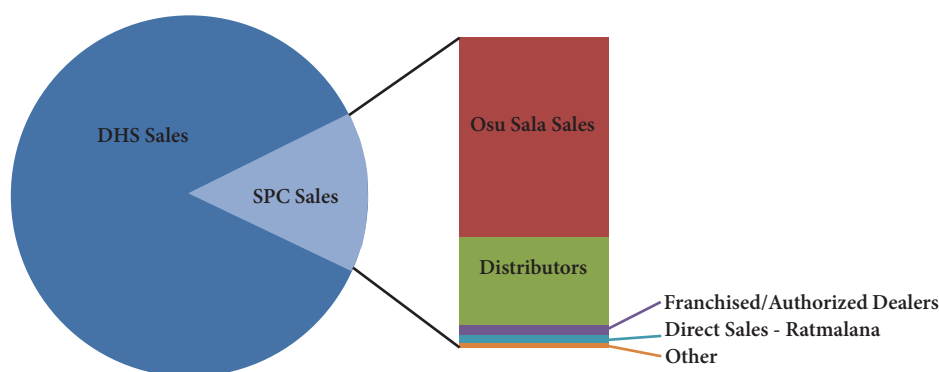


It's with great pleasure, that I am presenting the Managing Director's Report with regard to the performance of the year 2020. SPC has delivered satisfactory performance during the year under review, in spite of emergency measures taken across the country to control the spread of COVID -19 pandemic from March 2020 onwards.

SPC is the sole importer of Healthcare items to 'Medical Supplies Division' to ensure the continuous supply of quality-assured Pharmaceuticals and Healthcare items to the Government Hospitals. SPC also imports and sell in the open market through, our own Rajya Osusala Outlets, Franchised Osusala outlets & Distributors, to cover the entire island.

The existing COVID -19 pandemic, significantly change the demand for pharmaceuticals and health care items. SPC successfully met this challenge and ensured the availability of Pharmaceuticals and Health care items in the market.

SALES ANALYSIS 2020



FINANCIAL PERFORMANCE

During the year under review, SPC has recorded the highest ever turnover of Rs.63,121 million. This is an increase of 21.7% as against the previous year turnover of Rs.51,885 million.

Healthcare items supplied to the 'Medical Supplies Division' was Rs.54,323 million during the year, as against Rs.42,959 million in the year 2019. This is an increase of 26.5%.

The Turnover excluding the supplies to the Department of Health Service has recorded as Rs.8,798 million during the year 2020. It is a slight decrease of (1.4%) in comparison with the Turnover Rs. 8,924 million recorded in 2019. Profit before Tax was Rs.2,545 million in the year 2020. This is an increase of 17% as against the previous year figure of Rs. 2,176 million. This increase in profit was mainly due to the improvement in total revenue coupled with controlling the expenditure.

SALES & TRADE PROMOTIONS

SPC established a new Rajya Osuslala Outlets at Narahenpita Economic Centre during the year 2020. At the end of the year, there were altogether 45 Rajya Osusala Outlets, 51 Distributors 107 Franchised and Authorized Retailers covering the entire island, to ensure availability of SPC drugs, all corners in the country. In order to provide effective and efficient service to the general public during curfew, The Corporation together with the Sri Lanka Postal Department has introduced a mechanism to home-delivery essential drugs through Rajya Osusala Outlets.

TECHNICAL & LABORATORY

SPC continued its commitment towards maintaining and upgrading the quality standard of the Quality Assurance Laboratory. All SPC drugs are tested in four stages "Tender Samples", "Pre Shipment Samples", "Pre Distribution Samples" and "Market complaints", to maintain the quality standards of the pharmaceuticals supplied by the SPC, all the time.

HUMAN RESOURCES DEVELOPMENT

During the year under review total workforce was 1132, out of which 177 are trainees in order to provide better and safer working conditions for employees, the Corporation adjusts its working hours to time since 16th March 2020 and provides them with a transport facility during the lockdown. More than 25 employees were infected with COVID -19 disease and due to that numbers of employees were advised to self-quarantined.

Although some of the Annual events were given up, staff welfare benefits, which were prevailed in the Corporation before 2019, were continued during the year 2020 too.


CORPORATE SOCIAL RESPONSIBILITY

As part of our Corporate Social Responsibility SPC continues to offer 5% discount on Pharmaceuticals purchased for Children under 05 years of age, Pregnant Mothers, Senior Citizens (Over 55 Years).

ACKNOWLEDGEMENT

I take this opportunity to thank our Chairman and entire management & the staff in all categories for their dedicated service to ensure uninterrupted supply of essential medicines to the general public during lockdown periods.

Also, I would like to thank Hon. Minister of State Ministry of Production Supply and Regulation of Pharmaceuticals, Officials to State Ministry & Ministry of finance for their guidance & support rendered to me during the year.


LALITH JAYAKODY
MANAGING DIRECTOR

REPORT OF THE DIRECTORS

The directors of the State Pharmaceuticals Corporation present herewith the audited financial statements for the year ended 31 December 2020.

The Financial Statements of the Corporation was submitted to the Auditor General in accordance with Section 6.5.1 of Public Enterprises Guidelines, issued by the Director General of the Department of Public Enterprises in the General Treasury.

FORMATION

State Pharmaceuticals Corporation (SPC) was established under Section 2 of State Industrial Corporations Act No. 49 of 1957 by the Gazette notification published in the Government Gazette No.14976/8 of 22nd September 1971, under an order made by the Minister of Industries and Scientific Affairs with the approval of the Government of Sri Lanka. The initial capital of the corporation was Rupees one million.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given on the pages No. 18 to 33.

RESULTS

The results for the year and the Changes in Equity are set out in the Comprehensive Income Statement and in the Statement of Changes in Equity.

REVIEW OF BUSINESS

The state of affairs of the Corporation as at 31 December 2020 is set out in the Statement of Financial Position and assessment of the Corporation during the financial year is given in the Managing Director's Report.

PROPERTY, PLANT & EQUIPMENT

The movements in Property, Plant & Equipment during the year are set out in Note No.16 to the financial statements. The value shown therein is not materially different from its current market value.

MAIN ACTIVITIES

Main activities of the Corporation are,

- Import, Purchase, Sales & Distribution of Pharmaceuticals and Health Care Items in the open market.
- Import & Supply Pharmaceuticals and Health Care Items to the Department of Health Services.
- Manufacturing and Marketing Jeevanee, Glucose & Benzyl Bensovate Cream.
- Providing medical tests and laboratory services.

Activities of the Corporation have not changed materially from the last financial year.

RESERVES

Total reserves of the Corporation and its composition has been given in the Statement of Changes in Equity.

DIRECTORS

Directors of the corporation as at 31st December 2020 were as follows,

Dr. Prasanna Gunasena	Chairman	
Mr. L.R. Jayakody	Managing Director	(From 16.01.2020)
Dr. A.K.S.B De Alwis	Director	
Dr. B.G.N.Ratnasena	Director	(Till 07.01.2020)
Prof. B.D. Gamage	Director	(From 17.12.2020)
Mr. B. Gunaratne	Director	(From 17.12.2020)
Mr. Hiranya De Mel	Director	(From 29.01.2020)
Dr. P.T.M.K. Harischandra	Director	(From 29.01.2020 to 27.09.2020)
Mrs. D.C.W. Hapugoda	Director	(From 29.01.2020)

AUDIT COMMITTEE

Audit committee of the Corporation is constituted in accordance with the provisions of Public Enterprises Guidelines for good governance.

CORPORATE GOVERNANCE/INTERNAL CONTROL

The Corporation has put in place systems and procedures to ensure the implementation of sound corporate governance principles. The Audit Committee report is given in page No. 13.

EMPLOYMENT

SPC continued to implement appropriate Human Resource Management policies and practices to enhance employee's skills.

STATUTORY PAYMENTS

All statutory payments to the Government and the employees have been paid promptly.

ENVIRONMENTAL PROTECTION

The Corporation has not engaged in any activities which would be detrimental to the environment.

CONTRIBUTION TO THE GOVERNMENT

The Corporation has paid Rs.553.7 million by the way of Income tax to the Government Treasury.

CORPORATE SOCIAL RESPONSIBILITY

During the year the Corporation contributed Rs. 3,683,694/- for charitable purpose.

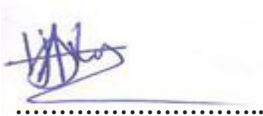
POST BALANCE SHEET EVENTS

No events have occurred since the Balance Sheet date, which would require adjustments to, or disclosure other than the decision of shifting SPC Head Office from No. 75, Sir Baron Jayathilaka Mawatha, Colombo 01 to "Mehewarapiyasa" Kirula Road, Narahenpita approximately for three years with rent free until refurbishing the head office building. Approximately moving cost will be Rs. 15 mn.

AUDITORS

Auditor General carried out the Audit of the Financial Statement of the State Pharmaceuticals Corporation of Sri Lanka for the financial year ended 31st December 2020.

By Order of the Board



ANURADHA WIJAYAWARDANA
LEGAL OFFICER /SECRETARY TO THE BOARD

REPORT OF THE AUDIT COMMITTEE

Constitution of the Audit Committee

The Audit Committee consists of Three Non-Executive Directors of the Board. The Director who represents the General Treasury would function as Chairman of the Committee. During the Financial year ended 31st December 2020, followings members attended to the Meetings of the Audit Committee.

Ms. D.C.W. Hapugoda - Chairman

Mr. Hiranya De Mel - Member

Dr. Sunil De Alwis - Member

Chief Accountant of the Ministry of Health and Audit Superintendent of Government Audit Branch of SPC participated the Committee Meetings as Observers. Board Secretary and the Internal Auditor functioned as the Secretary to the Committee and Convener respectively.

The Functions of the Audit Committee

The main functions of the Audit Committee are to review and monitor internal controls of the Corporation and assist the Board of Directors by reviewing and making recommendations on all aspects of audit and financial activities of the Corporation. During the year under review, the Committee attended to following matters.

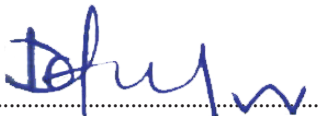
1. Review and evaluate the internal control systems and recommend modifications where necessary.
2. Review and approve Internal Audit Plan for the year 2020.
3. Review Internal Auditor's reports, and monitor management's responsiveness to the findings and recommendations of the Internal Auditor.
4. Review External Auditors Audit Queries and the matters raised by them in the reports in terms of section 13 (7) (a) and 14 (2) (c) of the Finance Act No. 38 of 1971.
5. Review of implementation of recommendations of the Committee of Public Enterprises (COPE).

Internal Audit Division

Under the guidance of the Audit Committee, an approved Internal Audit work plan was carried out by the Internal Audit Division of the Corporation during the year under review. Further, the Internal Audit Division conducted Financial and System Audit to eliminate inefficient procedures, improve the internal controls, minimize the losses and possible instances of frauds and errors.

Meetings

During the year 2020, two Audit Committee meetings were held. The Committee has submitted its comments on the identified deficiencies to the Management. Accordingly, the remedial measures have been taken to rectify the identified deficiencies.



MS. D.C.W. HAPUGODA


CHAIRMAN OF THE AUDIT COMMITTEE

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31ST DECEMBER

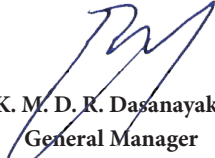
	Note	2020 Rs.	2019 Rs.
ASSETS			
Property Plant and Equipment	16	2,008,431,794	2,069,200,510
Right-of-use Assets	17	41,966,690	54,672,686
Lease Assets paid in Advance	18	22,841,696	23,619,169
Capital Work in Progress		120,667,085	97,931,546
Intangible Assets -Software	19	2,800,662	-
Deferred Tax Assets	20	132,780,568	32,056,259
Total Non- Current Assets		2,329,488,495	2,277,480,171
Current Assets			
Inventories - SPC	21	2,751,097,855	2,802,019,748
Stock in Transit - DHS	22	1,314,756,504	280,722,801
Trade & Other Receivables	23	33,682,451,818	27,299,630,409
Prepayments	24	100,917,075	53,931,154
Cash and Cash Equivalents	25	1,225,357,866	1,114,223,505
Total Current Assets		39,074,581,118	31,550,527,617
Total Assets		41,404,069,613	33,828,007,787
EQUITY AND LIABILITIES			
Contributed Capital	31	59,055,258	59,055,258
Retained Earnings		12,208,679,398	10,431,211,366
General Reserves	32	66,061,447	66,061,447
Total Equity		12,333,796,103	10,556,328,071
Non- Current Liabilities			
Retirement Benefit Obligation	26	495,666,216	254,952,718
Lease Liabilities	17.1	27,851,418	39,506,298
Long Term Loan	27	11,384,644,444	
Total Non- Current Liabilities		11,908,162,078	294,459,016
Current Liabilities			
Trade and Other Payables	28	16,117,661,004	16,293,739,152
Income tax Payable		475,495,889	352,116,928
Deferred Income		1,799,766	1,461,469
Lease Liabilities	17.1	19,870,218	19,187,485
Current Financial Liabilities	29	55,929,000	6,310,715,665
Long Term Loans	27	491,355,556	-
Total Current Liabilities		17,162,111,432	22,977,220,700
Total Equity & Liabilities		41,404,069,613	33,828,007,787


The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board by,


Dr. Prasanna Gunasena
Chairman


Lalith Jayakody
Managing Director


K. M. D. R. Dasanayake
General Manager


Nishanthi Devasurendra
Actg. Deputy General Manager - Finance

The accounting policies and notes on pages 18 to 64 form an integral part of the financial statements.

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA
STATEMENT OF CHANGES IN EQUITY

	Contributed Capital Rs.	General Reserves Rs.	Accumulated Profit Rs.	Total Rs.
Balance as at 01st January 2018	59,055,258	66,061,447	6,792,893,602	6,918,010,307
Total Comprehensive Income for the year				
Reported profit for the year			953,149,764	953,149,764
*Adjustment due to increase stock transfer margin			(27,233,228)	(27,233,228)
*Adjustment due to re-estimation of usefull life			2,010,707	2,010,707
Restated Profit for the year			927,927,244	927,927,244
Effect of initial application of SLFRS 9 and change of judgement and estimates			1,017,994,355	1,017,994,355
Gain/ losses on defined benefit plan			30,453,274	30,453,274
Balance as at 31st December 2018	59,055,258	66,061,447	8,769,268,475	8,894,385,180
Balance as at 01st January 2019	59,055,258	66,061,447	8,769,268,475	8,894,385,180
Total Comprehensive Income for the year				
Net Profit for the year			1,663,869,219	1,663,869,219
Gain/ losses on defined benefit plan (Note 26.3)			(1,926,328)	(1,926,328)
Balance as at 31st December 2019	59,055,258	66,061,447	10,431,211,366	10,556,328,071
Balance as at 01st January 2020	59,055,258	66,061,447	10,431,211,366	10,556,328,071
Total Comprehensive Income for the year				
Net Profit for the year			1,969,223,517	1,969,223,517
Gain/ losses on defined benefit plan (Note 26.3)			(191,755,485)	(191,755,485)
Balance as at 31st December 2020	59,055,258	66,061,447	12,208,679,398	12,333,796,103

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA
STATEMENT OF COMPREHENSIVE INCOME

	Note	SPC OPERATIONS 2020 (Rs.)	DHS OPERATIONS 2020 (Rs.)	TOTAL OPERATIONS 2020 (Rs.)	TOTAL OPERATIONS 2019 (Rs.)
Income	7	8,798,047,091	54,323,564,615	63,121,611,706	51,884,510,333
Less :					
Direct Expenses - MSD	8		50,908,491,858	50,908,491,858	40,242,152,683
Cost of Sales - SPC	9	6,435,740,565		6,435,740,565	6,541,599,615
Cost of Production - ORS	10	112,630,601		112,630,601	104,095,463
Gross Profit/ Surplus		2,249,675,924	3,415,072,757	5,664,748,681	4,996,662,572
Add: Other Operating Income	11	158,667,212	128,695,911	287,363,124	105,742,272
Less :					
Administrative Expenses	12	1,192,848,207	560,985,298	1,753,833,505	1,619,555,258
Other Operating Expenses	13	281,901,537	680,176,783	962,078,319	985,397,201
Operating Profit		933,593,393	2,302,606,588	3,236,199,981	2,497,452,385
Less: Finance Expenses	14	10,691,970	686,774,071	697,466,041	328,233,398
Add: Finance Income (Staff Loan)		6,890,528	-	6,890,528	6,875,226
Profit Before Tax		929,791,951	1,615,832,517	2,545,624,468	2,176,094,213
Income Tax Expenses	15	210,531,039	365,869,912	576,400,951	512,224,994
Profit After Tax		719,260,911	1,249,962,605	1,969,223,517	1,663,869,219
Other Comprehensive Income:					
Gain/ Losses on defined benefit plan	26	(84,372,413)	(107,383,072)	(191,755,485)	(1,926,328)
Total comprehensive income for the year		634,888,498	1,142,579,534	1,777,468,032	1,661,942,892

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA
STATEMENT OF CASH FLOW

For the year ended 31 st December	Note	2020 Rs.	2019 Rs.
Cash flow from operating activities			
Net profit before taxation,		2,545,624,468	2,176,094,213
Adjustments for:			
Depreciation	16	91,262,460	86,568,523
Gratuity provision for the year	26.3	64,645,469	43,223,524
Lease amortisation	18	777,474	777,474
Profit/ Loss on disposal of fixed assets		-	(209,841)
Amortisation charges (Software)	19	700,166	-
Unrealized profit	7	(1,125,679)	(8,377,304)
Lease Interest (Osusala)		8,326,647	8,777,063
Amortisation of (ROU) Assets		23,400,940	18,469,502
Provision for bad debts	13	597,927,077	677,547,654
Stock losses	13	1,137,164	1,094,106
Provision for damaged & outdated stock - SPC	13	103,644,268	51,676,681
Provision for damaged & outdated stock - DHS	13	93,389,052	58,855,606
Interest expenses	14	695,204,980	326,247,554
Operating profit before working capital changes		4,224,914,486	3,440,744,754
Increase/ Decrease in trade and other receivable	23	(6,980,748,486)	(11,657,765,423)
Increase/ Decrease in deposit & prepayments	24	(46,985,921)	7,288,292
Increase/ Decrease in inventories		(52,733,861)	(92,125,787)
Increase/ Decrease in Goods in Transit	22	(1,127,422,755)	(52,991,063)
Increase/ Decrease in trade payables	28	(176,078,151)	5,869,842,658
Increase/ Decrease in Deferred Income		338,297	116,047
Cash generated from operations		(4,158,716,390)	(2,484,890,522)
Income tax paid		(553,746,299)	(680,340,755)
Gratuity paid	26	(15,687,456)	(11,389,235)
Interest paid	14	(695,204,980)	(326,247,554)
Cash flow before extraordinary items		(1,264,638,735)	(1,017,977,544)
Net cash from operating activities		(5,423,355,125)	(3,502,868,066)
Cash flow from investing activities			
Purchase of property, plant and equipment	16	(30,493,744)	(52,541,021)
Increase/ Decrease in work in progress		(22,735,539)	(2,342,668)
Computer Software	19	(3,500,828)	-
Disposal of fixed assets		-	2,333,181
Net cash used in investing activities		(56,730,111)	(52,550,508)
Cash flow from financing activities			
Proceeds from long-term borrowing	27	11,876,000,000	
Payments of Lease rent		(29,993,739)	(23,255,468)
Net cash used in financing activities		11,846,006,261	(23,255,468)
Net increase in cash and cash equivalents		6,365,921,025	(3,555,418,574)
Cash and cash equivalents at beginning of period		(5,196,492,160)	(1,617,848,119)
Cash and cash equivalents at end of period (Note A)		1,169,428,866	(5,196,492,160)
Note A : Cash and cash equivalents	Note	2020 Rs.	2019 Rs.
Cash in hand & at bank	25	1,128,932,855	1,027,950,606
Treasury bill investment	25	96,425,011	86,272,899
Bank overdraft	29	(55,929,000)	(6,310,715,665)
Cash and cash equivalents		1,169,428,866	(5,196,492,160)

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

01. REPORTING ENTITY

1.1 Domicile & Legal Form

State Pharmaceuticals Corporation is a Government Corporation incorporated in 1971 under the State Industrial Corporations Act No. 49 of 1957 and domiciled in Sri Lanka. It is a Government Corporation located at No. 75, Sir Baron Jayathilake Mawatha, Colombo 01.

1.2. Financial period

The financial period of the Corporation represents a twelve month period from 1 January 2020 to 31 December 2020.

1.3. Principal activities and nature of operations

The main functions are,

- a) Import, Purchase, Sales & Distribution of Pharmaceuticals and Health Care Items in the open market
- b) Import & Supply Pharmaceuticals and Health Care Items to the Department of Health Services
- c) Manufacturing and Marketing range of items including Jeevaneer, Glucose & Benzyl Benzoate Cream
- d) Providing sample tests and laboratory services

02. BASIS OF PREPARATION

2.1. Statement of compliance

The principle accounting policies adopted in preparation of Financial Statements are given under the Note 3 - 6 & such policies have been consistently applied, unless otherwise stated. The financial statements of the Corporation have been prepared in accordance with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/ "LKAS") laid down by the Institute of Chartered Accountants of Sri Lanka. These financial statements comprise of the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto.

2.2. Responsibility for financial statements

The Board of Directors of the Corporation acknowledges their responsibility for the financial statements. Any amendment to Financial Statements after issue, lies with Board of Directors.

2.3 Approval of financial statements

The financial Statements were approved by the Board of Directors of the Corporation and authorized for issue on 29th March 2021.

2.4. Basis of measurement

The Financial Statements of the Corporation have been prepared on the historical cost basis and applied consistently except for the following material items stated in the Statement of Financial Position.

- Furniture, Equipment and Computers which are measured at revalued amounts being the fair value of revaluation.
- Retirement benefit obligations measured based on actuarial valuation.

Where appropriate, the specific policies are explained in the succeeding notes.

2.5 Functional and Presentation Currency

The Corporation's financial statements are presented in Sri Lankan Rupees which is the organization's functional and presentation currency.

2.6. Comparative information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements, in order to enhance the understanding of the financial statements of the current period and to improve comparability. The comparative information has been reclassified where ever necessary to confirm with the current year's classification in order to provide a better presentation.

2.7. Statement of Cash flows

The Statement of Cash Flows has been prepared by using the direct method in accordance with the Sri Lanka Accounting Standard - LKAS 7 (Statement of Cash Flows), whereby gross cash receipts and gross cash payments of operating activities, financing activities and investing activities have been recognized.

2.8. Significant Accounting Judgments, Estimates and Assumptions.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Corporation accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods effected.

Information about assumptions and estimation uncertainties that have significant effect on the amounts recognized in the financial statements is included in following notes;

Note 25 - Recognition of deferred tax assets/liabilities

Note 21 - Provisions for impairment.

Note 24 - Measurement of retirement benefit obligations; key actuarial assumptions.

Note 18 - Leases

Provisions: Provisions are recognized when Corporation has present legal or constructive obligation as a result of past event considering probability & based on reliable estimation.

2.9. Measurement of Fair Values

A number of the Corporation's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities. The COVID-19 pandemic has resulted in significant volatility in the financial markets. However the corporation did not require reclassifying any of its financial assets as a result of the significant volatility created by the pandemic.

The Corporation regularly reviews significant unobservable inputs and valuation adjustments when applicable. If third party information is used to Measure fair values, The Corporation assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRSs/LKASs, including the level in the fair value hierarchy in which such valuations should be classified.

Further, the external valuers are involved for valuation of significant assets; Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Corporation decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets.

Significant valuation issues are reported to the Audit Committee. When measuring the fair value of an asset or liability, the Corporation uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement. Transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. The Corporation does not hold any assets require fair value through P&L or fair value through OCI at present.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant Accounting Policies

The Accounting Policies applied by the Corporation are, unless otherwise stated, consistent with those used in the previous year. Previous year's figures and phrases have been rearranged, wherever necessary, to confirm to the current year's presentation.

3.2 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 December 2020, based on available information, the management has assessed the existing and anticipated effects of COVID -19 on the Corporation and the appropriateness of the use of the going concern basis.

After evaluating wide range of factors such as Disruptions in the Pharmaceutical supply, significant changes in demand and their effects for the working capital and resulting liquidity issues that affect the going concern in the operations. The Directors were satisfied that the Corporation has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

In determining the above significant management judgments, estimates and assumptions the impact of the COVID 19 pandemic has been considered as of reporting date and specific considerations have been disclosed under the relevant notes.

3.3. New Accounting Standards issued during the year/Changes to already existing Accounting Standards

There were no new accounting standards issued by the Institute of Chartered Accountants of Sri Lanka during the year ended 31st December 2020. The amendments to the following existing Sri Lanka Accounting Standards which were effective from 01st January 2020 did not have a material impact on the Financial Statements.

- SLFRS 17 Insurance Contracts (1 January 2021)
- Srilanka Accounting Standard - SLFRS 16 - Leases
- Srilanka Accounting Standard - SLFRS 03 - Business Combination
- Srilanka Accounting Standard - LKAS 1 - Presentation of Financial Statements
- Srilanka Accounting Standard - LKAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Interest Rate Benchmark Reform - Amendments to SLFRS 9, LKAS 39, SLFRS 4 SLFRS 16.

3.4 Property Plant and Equipment

3.4.1 Basis of recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Corporation and the cost of the asset can be measured reliably.

3.4.2. Basis of measurement

Property, Plant and Equipment other than equipment, furniture and computers is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes

the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Corporation derecognize the replaced parts, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

Equipment, Furniture and Computers are measured at fair value. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation reserve in equity.

3.4.3. Depreciation

Depreciation is recognized in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of an item of property, plant & equipment, in reflecting the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives of Property, Plant and Equipment are as follows.

Buildings	0 - 40 years	Plant & Machinery	8 years
Motor Vehicles	3 to 17 years	Bicycles	6 to 7 years
Furniture & Fittings	10 years	Computers	4 years
Equipment	5 years		

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized. The asset's residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end and adjusted in accordance with LKAS 8.

3.4.4. De-recognition

An item of property, plant & equipment is de-recognized upon disposal of or when no future economic benefits are expected from its use or disposal. Gains and losses arising on de-recognition of assets are determined by comparing the proceeds from the disposal with the carrying amount of property, plant & equipment and are recognized net within "Other Income" in profit or loss.

3.4.5 Impairment of non-financial assets

The Corporation continues its operations through alternate working arrangements, whilst strictly adhering to and supporting government directives. Property, Plant and Equipment (PPE) is not significantly under-utilised. The Management believes that it has adequate liquidity and business plans to continue to its operation whiles mitigating the risks associated with COVID -19 and concluded that no impairment is required on Plant and Equipment at the reporting date.

3.5 Capital work in progress

Capital expenses incurred during the year, which are not capitalized as at the balance sheet date are shown as Capital work in progress, whilst the capital assets which have been capitalized during the year and put to use have been transferred to Property Plant & Equipment.

3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The Corporation's intangible assets are amortized using the straight-line method to write down the cost over its estimated useful economic lives.

3.7 Leases

Leases are recognized as right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the Corporation. The Corporation has leases for the Osusala buildings, Stores facilities and some IT equipment. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

(a) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(b) Lease liabilities

In accordance with provisions of SLFRS 16, lease liabilities were recognised and measured at the present value of the remaining lease payments, discounted using the lessee's increment borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, Security and conditions.

The Corporation presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in comprehensive income.

(c) Re-measurement of lease liabilities

The Corporation is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rates take effect, the lease liability is re measured and adjusted against the ROU assets.

(d) Lease payments not recognized as a liability

The Corporation has elected not to recognize a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

3.8 Taxation

3.8.1 Current taxation

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the Taxation Authorities in respect of the current as well as prior years. The tax rate and tax laws used to compute the amounts are those that are enacted or substantially enacted by the Balance Sheet date. Accordingly, provision for taxation is made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provision of the Inland Revenue Act No: 24 of 2017 and the Amendments thereto, the rates specified in the act. Provision for the current year taxation made according to the accounting profit subject to the rate specified by act.

3.8.2 Deferred taxation

In respect of each type of temporary differences recognized in the Balance Sheet, were considered for the Deferred Tax Liabilities and Assets. Mainly, in Financial Statements Fixed Assets, Provision for Retiring Gratuity, Impairment on debtors, Provision for disputed items were considered. Deferred Tax Assets & Liabilities are measured at the Income Tax Rate.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The management has decided that no adjustment is required on deferred tax assets as response to expected reduction of tax expenses due to COVID-19 pandemic.

3.9 Inventories

Inventories are recognized at cost or net realizable value, whichever is lower after making due allowance for obsolete and slow-moving items which are valued at 'First in first out' basis.

3.9.1 Measurement of inventories

Cost of Inventories - ORS

Raw Materials

Cost of purchases together with any incidental expenses.

Work In progress

Raw material cost and variable manufacturing expenses in full.

Finished Goods

Raw material cost and variable manufacturing expenses in full.

3.10 Cash & Cash Equivalents

Cash and cash equivalents comprise cash in hand and at bank, Treasury bill investments, other short-term highly liquid investments with original maturities of twelve months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.11 Research costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss when incurred.

4. LIABILITIES AND PROVISIONS

4.1 Retirement Benefit Obligations

4.1.1 Defined benefit plan – Retirement Gratuity

The Corporation is liable to pay Gratuity in terms of the Payment of Gratuity Act No.12 of 1983. The liability for gratuity to an employee arises only on completion of five years of continued service with the Corporation. This Liability recognized in the balance sheet represents the present value of the defined benefit obligations at the balance sheet date estimated using the projected unit credit method. These benefits are not externally funded.

The Corporation recognizes all actuarial gains and losses arising from defined benefit plans immediately in the other comprehensive income.

An actuarial valuation was carried out by Mr. M. Poopalanathan, AIA, of Messrs' Actuarial and Management Consultants (Pvt) Ltd., a firm of professional actuaries as at 31st December 2020. The assumptions based on which the results of the actuarial valuation were determined, are included in note 26 to the financial statements.

4.1.2 Defined Contribution Plans- Employee Provident Fund & Employee Trust Fund

The Corporation contributes to Employees' Provident Fund contribution and Employees' Trust Fund contribution is covered by relevant contribution funds in line with respective regulation. Obligations for contributions to the plans covering the employees are recognized as an expense in the income statement.

Employees' Provident Fund

The Corporation and Employees contribute to provident fund at 12% and 10% respectively on gross salary except travelling allowance.

Employees' Trust Fund

The Corporation contributes 3% on gross salary except travelling allowance, to the Employees' Trust Fund.

5. INCOME STATEMENT

For the purpose of presentation of the Income Statement, the function of expenses method is adopted as it represents fairly the elements of corporation performance.

5.1 Revenue Recognition

The Corporation recognizes and measures revenue under five step approach as per SLFRS 15 - Revenue from Contracts with customers. Measurement of revenue is based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Corporation recognizes revenue when the performance obligations are satisfied.

In the comparative period, revenue is recognized on an accrual basis when it is probable that the economic benefits will flow to the Corporation and the revenue and associated costs incurred or to be incurred can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

5.1.1 Nature of goods and service

The following is a description of the principal activities from which the Corporation generates its revenue and the respective revenue recognition policies.

i. Revenue from importing and trading pharmaceutical and health care items

The Corporation recognizes revenue from following sources;

Customer	Nature, Timing of satisfaction of performance obligation and significant payment terms
Distributors/ Franchises	<p>The Corporation recognized revenue monthly at the point the customer takes possession of the products. The products are sold to the Distributors at prices determined by the Corporation will be notified to the Distributor from time to time.</p> <p>The products once sold to the Distributor will not be taken back by the Corporation or exchanged for other products unless they are spoilt or discolored at the time of issue or where the wrong products were issued to the Distributor by an error.</p> <p>An irrevocable unconditional Bank Guarantee for a sum equivalent to the value of products intended to purchase should be provided in favour of the State Pharmaceuticals Corporation. The Bank Guarantee should be valid for a period of twenty-six (26) months from the date of commencement of the agreement and it should be in full force during the continuance of this agreement.</p>

Forces/ Government Hospitals/ Private Hospitals	<p>The Corporation recognized revenue monthly at the point the customer is delivered with the products. The products are sold at prices determined by the Corporation which will be notified to the customer from time to time.</p> <p>The products once sold will not be taken back by the Corporation or exchanged for other products unless they are spoilt or discolored at the time of issue or where the wrong products were issued by an error.</p>
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- ii. Revenue from supply of Pharmaceuticals and health care items to the Department of Health services.

The revenue is recognized at the point the products are transferred to the Department of Health Services. The products once sold will not be taken back by the Corporation or exchanged for other products unless they are spoilt or discolored at the time of issue or where the wrong products were issued by an error.

- iii. Production of Pharmaceuticals and health care items

The Corporation engages in manufacturing and marketing of pharmaceuticals items namely,

- Jeevani
- Glucose
- Benzyl Bensovate Cream

The sales of manufactures goods are recognized at the point the products are transferred to the customers. The products once sold will not be taken back by the Corporation or exchanged for other products unless they are spoilt or discolored at the time of issue or where the wrong products were issued by an error.

The following specific recognition criteria are also evaluated by the Corporation before revenue is recognized:

5.1.2 Sale with a right of return

The Corporation transfer the control of the product to customers with the right to return if:

- The products sold are close to expiry
- Products are spoilt or discolored at the time of issue
- Issue of wrong products due to an error

Such sale of products with a right to return shall be recognized by the Corporation as;

- Revenue for the transferred products in the amount of consideration to which the Corporation expects to be entitled
- A refund liability; and
- An asset (and corresponding adjustment to cost of sales) for its right to recover products from customers on settling the refund liability.

At the end of each reporting period, the Corporation shall update its assessment of amounts for which it expects to be entitled in exchange for the transferred products and a corresponding change is made to the transaction price if necessary.

The Corporation shall update the measurement of the refund liability at the end of each reporting period for changes in expectations about the amount of refunds. The Corporation recognizes corresponding adjustments as revenue (or reductions of revenue).

An asset recognized for the Corporation's right to recover products from a customer on settling a refund liability shall initially be measured by reference to the former carrying amount of the less any expected costs to recover those products. At the end of each reporting period, the Corporation shall update the measurement of the asset arising from changes in expectations about products to be returned.

5.2 Other Income

Other income is recognized on an accrual basis.

5.3 Claims Receivable from Suppliers

Claims receivable from suppliers for Additional Storage Charges, Demurrages, Short Supplies and Damages have not been recognized in the Financial Statement due to uncertainty of the outcome. However, when the realization of income is virtually certain, the claim is recognized in the income statement.

5.4 Expenses

All expenditures incurred in the running of the business have been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

5.4.1 Financial Expenses

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. The corporation's finance expenses comprise of overdraft interest, letter of credit opening expenses & credit facility agreement charges.

5.4.2 Allocation between overheads

The overheads have been allocated between SPC & DHS based on percentage after analyzing the activities involved.

In the Financial Statements, Overheads allocation method is as follows.

	DHS	SPC
(a) Personnel emoluments	56%	44%
(b) Travelling expenses	10%	90%
(c) Supplies and requisites	25%	75%
(d) Repairs and maintenance	50%	50%
(e) Transportation, communication utilities & other services	50%	50%
(f) Research cost	65%	35%
(g) OD interest	Actual	Actual

6 FINANCIAL INSTRUMENTS - INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

6.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognized on trade- date, the date on which the Corporation commits to purchase or sell the asset.

At initial recognition, the Corporation measures a financial asset or financial liability at its fair value plus or minus in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability.

6.1.1 Financial Assets

6.1.1.1 Classification and subsequent measurement

The Corporation classifies its financial assets in the following measurement categories

- Fair Value through Profit and Loss (FVPL)
- Fair Value through Other Comprehensive Income (FVOCI); or
- Amortized cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on:

- i. The Corporation's business model for managing the asset; and
- ii. The cash flow characteristics of the asset.

Based on these factors, the Corporation classifies its debt instruments into one of the following three measurement categories:

6.1.1.1.1 Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortized cost. Interest income from these financial assets is included in the “Other Operating Income” using the effective interest rate method. The Corporation currently holds cash in hand and bank, staff loans, trade receivables and short term treasury bills under this category.

6.1.1.1.2 Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets’ cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument’s amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in the profit or loss statement. Interest income from these financial assets is included in “Other Operating income” using effective interest rate method. Currently the Corporation does not hold any financial asset under this category.

6.1.1.1.3 Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not a part of a hedging relationship is recognized in profit or loss presented in the profit or loss statement in the period which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in the profit and loss statement. . Interest income from these financial assets is included in “Other Operating income” using effective interest rate method. Currently the Corporation does not hold any financial asset under this category.

- Business model:

The business model reflects how the Corporation manages the assets in order to generate cash flows. That is, whether the Corporation’s objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of ‘other’ business model and measured at FVPL. Factors considered by the Corporation in determining the business model for a group of assets include past experience on how cash flows for these assets were collected, how the asset’s performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

- Solely Payments of Principal and Interest (SPPI):

Where the business model is to hold assets to collect contractual cash flow or to collect contractual cash flows and sell, the Corporation assesses whether the financial instruments cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, the Corporation considers whether the contractual cash flows are consistent with the basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Corporation reclassifies debt investments when and only when its business model for managing those assets changes. The re classification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

6.1.1.2 Impairment

The Corporation assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost and FVOCI. The Corporation recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating range of possible outcomes
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Due to the impact of COVID 19 Pandemic situation, Probability of Default (PD), Loss Given Default (LGD) computed as at 31.12. 2020 & Economic Factor Adjustment (EFA) considered in the computation of “provision for impairment on trade receivables” for the Corporation as at 31st December 2020 have led to increase the such provision significantly. This disclosure is based on the “COVID - 19 Pandemic: Guidance Notes on the Implications on Financial Reporting” issued by the institute of chartered accountants of Sri Lanka

6.1.1.2.1 Measurement of the Expected Credit Loss (ECL) allowance

The measurement of expected credit loss allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The judgements and estimates made by the Corporation for ECL measurement is as follows;

- Expected credit loss is the discounted product of the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA). PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months or over the remaining lifetime of the obligation.
- LGD represents the Corporation's expectation of the extent of loss on a defaulted exposure. LGD is computed on lifetime basis, where Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.
- The Corporation forecasts the economic growth for 5 years basing historical Economic growth data for 8 years and the economic factor adjustment (EFA) is arrived by using a weighted probability of the impact of growth on the Corporation. The economic growth of Sri Lanka is used for EFA as the main factor impacting growth of the Corporation due to the nature of the major customers.

6.1.1.3 De-recognition

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) Corporation transfers substantially all the risks and rewards of ownership, or (ii) the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and the control of assets.

The Corporation enters into transactions where it retains the contractual rights to receive cash flows from the assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as "pass through" transfers that result in de-recognition if the Corporation:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from other assets without material delay.

6.1.2 Financial Liabilities

6.1.2.1 Classification and subsequent measurement

In both current and prior period, financial liabilities are classified as subsequently measured at amortized cost, except for Financial Liabilities at fair value through profit and loss. This classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition.

Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially in profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge an accounting mismatch in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss. The Corporation's financial liabilities include trade and other payables, bank overdrafts.

6.1.2.2 De-recognition

A financial liability is de-recognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

6.2 Measurement methods

Amortized cost and Effective Interest Rate

The amortized cost is the amount at which the financial asset or financial liability is measure at initial recognition less the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability

	NOTE 7	
REVENUE	2020	2019
	Rs.	Rs.
Revenue - SPC		
Bulk trading	2,981,077,812	3,059,279,837
ORS sales	134,564,549	133,879,235
Osusala sales (Note 30)	5,615,646,408	5,687,027,913
Provision for Unrealized Profit	(1,125,679)	8,377,304
Credit Insurance	2,880,235	2,389,328
Special Order Imports	-	-
Claims Received from Suppliers	65,003,766	33,896,907
Total	8,798,047,091	8,924,850,525
Revenue - DHS		
Import supplies	29,313,911,102	23,389,251,096
Local supplies	18,510,516,508	10,853,762,880
CPU supplies	5,952,835,591	8,340,937,739
Claims Received from Suppliers	398,088,092	270,280,523
Penalties on delayed Supplies	148,213,322	105,427,569
Total	54,323,564,615	42,959,659,808
Total Revenue	63,121,611,706	51,884,510,333

NOTE 7.1

SALE WITH A RIGHT OF RETURN

The Sales returns experienced by the Corporation are immaterial in comparison to sales generated. However, the Corporation shall monitor the probability of occurrence of sales returns and the requirement to adjust any material impact of such.

	NOTE 8	
COST OF SALES / DIRECT EXPENSES - DHS	2020	2019
	Rs.	Rs.
Revenue	54,323,564,615	42,959,659,808
DIRECT COST		
C & F value of DHS supplies	27,265,309,832	21,115,681,400
Custom duties & taxes	631,465,369	479,574,326
Cost of local supplies	17,799,064,813	10,447,478,093
CPU purchases to DHS	5,723,880,376	8,020,132,441
Total	51,419,720,390	40,062,866,261
Clearing charges (Bank charges, Stamp fee , Commission & LC chg.	485,821,427	295,424,446
Landing charges	60,287,195	25,851,823
Import licenses fee	126,640,396	67,936,297
Deductions on supplies - CPU	12,393,755	50,154,910
Total	685,142,773	439,367,475
Less: Stock in transit	1,196,371,305	260,081,054
Direct expenses/ Cost of sales	50,908,491,858	40,242,152,683
Gross profit/surplus	3,415,072,757	2,717,507,125

COST OF SALES - SPC	NOTE 9			
	BULK TRADING	OSUSALA TRADING	TOTAL TRADING SPC - 2020	TOTAL TRADING SPC - 2019
	Rs.	Rs.	Rs.	Rs.
Stock In trade at the beginning of the year	1,510,211,303	1,197,408,594	2,707,619,897	2,678,239,669
Add :				
Imported drugs	2,577,032,563		2,577,032,563	2,387,114,156
Consumables for the laboratory	4,481,303		4,481,303	1,501,539
Local purchases (SPC tenders)	1,425,224,619		1,425,224,619	1,467,085,053
Laboratory testing chg.	-	-	-	-
C.P.U - Purchases	331,857,819		331,857,819	353,128,610
Local purchases (Osusalas) (Note 30.1)	-	2,206,092,540	2,206,092,540	2,414,161,675
Transfers (Note 30.1)	(2,568,979,846)	2,568,979,846	-	-
STOCK AVAILABLE FOR SALES	3,279,827,762	5,972,480,980	9,252,308,742	9,301,230,703
Less: Stock In trade at end of the year	1,531,716,016	1,284,852,160	2,816,568,177	2,759,631,088
COST OF SALES & TRANSFERS	1,748,111,746	4,687,628,820	6,435,740,565	6,541,599,615

COST OF MANUFACTURING GLUCOSE, JEEWANEE AND BB CREAM	NOTE 10	
	2020 Rs.	2019 Rs.
Opening stock of raw materials	2,056,396	1,648,357
Add: purchases of raw materials	35,333,552	30,233,788
Less: closing stock of raw materials	1,148,181	2,056,396
Cost of raw materials consumed	36,241,767	29,825,749
Add: Manufacturing cost (Note 10.1)	77,017,327	72,783,944
Production cost of goods	113,259,094	102,609,693

ORS TRADING	NOTE 10	
	2020 Rs.	2019 Rs.
Opening stock (finished goods)	431,493	1,917,263
Add: Production cost of goods	113,259,094	102,609,693
Less: Closing stock (finished goods)	1,059,986	431,493
Cost of sale	112,630,601	104,095,463
Sales	134,564,549	133,879,235
Less: Cost of sale	112,630,601	104,095,463
Gross profit	21,933,948	29,783,773

NOTE 10.1

MANUFACTURING COST	2020	2019
	Rs.	Rs.
Salaries & wages	29,856,247	24,592,472
Overtime	3,012,006	2,652,772
Uniforms	618,556	397,668
Insurance for staff	367,197	402,297
Provident fund (EPF & ETF)	3,531,798	2,930,514
Annual bonus	432,000	424,697
Attendance bonus	890,400	785,100
Annual incentive bonus	2,274,321	5,008,739
Staff welfare	1,271,183	1,449,642
Medical expenses	479,352	481,714
Power	4,208,003	3,716,792
Depreciation	12,708,553	11,482,538
Repairs & maintenance	1,629,287	2,164,135
Packing materials used	15,738,424	16,294,865
Total	77,017,327	72,783,944

NOTE 11

OTHER OPERATING INCOME	2020	2019
	Rs.	Rs.
SPC		
Sales of tender forms.	79,922,549	53,498,408
Rent received	678,122	871,114
Treasury bill interest	6,234,105	6,504,495
Scrap sales	106,836	379,044
Fund management income	33,616,653	-
Miscellaneous income	10,533,743	9,365,281
Holiday bungalow income	343,125	1,261,700
Pre qualification charges	1,268,250	322,250
Sample testing income	2,414,553	4,761,281
Foreign exchange gain/loss	20,929,804	5,223,792
Supplier Convention	175,000	10,652,350
Int. on returned cheques/ delays	2,444,472	3,615,374
Profit on disposal of fixed assets	-	209,841
Total	158,667,212	96,664,931
DHS		
Foreign exchange gain/loss	128,695,911	9,077,341
Total	128,695,911	9,077,341
Grand Total	287,363,124	105,742,272

NOTE 12

ADMINISTRATIVE EXPENSES	OSUSALAS		SPC TRADING		TOTAL TRADING SPC	TOTAL TRADING DHS	TOTAL TRADING 2020	TOTAL TRADING 2019
	Rs.	O.R.S	BULK	Rs.				
PERSONNEL EMOLUMENTS								
Salaries, Wages & Allowances.	399,049,904	-	245,229,621	-	644,279,525	312,110,427	956,389,952	786,727,155
Overtime	27,668,689	-	17,632,490	-	45,301,179	11,754,993	57,056,172	51,230,300
Staff training expenses.	-	-	251,002	-	251,002	319,458	570,460	6,059,937
Uniforms.	3,481,711	-	750,339	-	4,232,050	954,977	5,187,027	5,381,028
Insurance for staff	4,100,785	-	3,835,975	-	7,936,760	4,882,150	12,818,910	13,675,473
Provident fund (EPF & ETF)	46,611,026	-	28,825,553	-	75,436,579	36,687,068	112,123,647	92,892,960
Annual bonus	4,999,747	-	3,145,018	-	8,144,765	4,002,750	12,147,515	12,236,687
Monthly attendance bonus.	11,113,150	-	6,243,653	-	17,356,803	7,946,467	25,303,270	20,968,360
Sports club expenses	-	-	186,001	-	186,001	236,729	422,730	3,010,647
Annual per inc. bonus.	28,538,075	-	16,954,763	-	45,492,837	21,578,789	67,071,626	149,785,363
Gratuity. (Note 26.3)	-	-	28,444,006	-	28,444,006	36,201,463	64,645,469	43,223,524
Land/ Housing loan interest	3,611,538	100,479	2,154,381	-	5,866,398	2,741,940	8,608,338	10,803,644
SPC Anniversary payment	-	-	1,543,634	-	1,543,634	1,964,625	3,508,258	4,314,150
Death gratuity	-	-	329,293	-	329,293	419,101	748,394	609,552
Total	529,174,625	100,479	355,525,730	100,479	884,800,834	441,800,935	1,326,601,769	1,200,918,779
TRAVELING EXPENSES								
Overseas travelling expenses- others.	-	-	93,937	-	93,937	10,437	104,375	3,652,528
Local travelling expenses - others.	967,683	1,690	15,520,215	1,690	16,489,588	1,724,468	18,214,056	5,812,292
Total	967,683	1,690	15,614,152	1,690	16,583,525	1,734,906	18,318,431	9,464,820
SUPPLIES & REQUISITES								
Printing & stationery.	6,642,612	1,092,198	11,806,183	-	19,540,992	3,935,394	23,476,387	22,573,391
Board meeting expenses.	-	-	25,459	-	25,459	8,486	33,945	58,469
Entertainment - others.	-	-	210,485	-	210,485	70,162	280,646	826,392
Repairs to motor vehicles.	-	-	7,956,918	-	7,956,918	2,652,306	10,609,224	9,036,487
Fuel & lubricants.	-	-	11,537,894	-	11,537,894	3,845,965	15,383,858	13,933,663
License fees of motor vehicles.	-	-	159,349	-	159,349	53,116	212,466	197,811
Total	6,642,612	1,092,198	31,696,287	1,092,198	39,431,096	10,565,429	49,996,525	46,626,213
REPAIRS & MAINTENANCE								
Buildings.	1,997,123	-	3,341,096	-	5,338,218	3,341,096	8,679,314	10,236,917
Furniture, fittings & equipment	3,051,034	-	4,399,300	-	7,450,334	4,399,300	11,849,634	11,508,425
Computer	245,160	-	3,851,389	-	4,096,549	3,851,389	7,947,938	7,596,906
Total	5,293,317	-	11,591,784	-	16,885,101	11,591,784	28,476,886	29,342,248

NOTE 12

ADMINISTRATIVE EXPENSES	OSUSALAS			SPC TRADING			TOTAL TRADING			TOTAL TRADING		
	Rs.	O.R.S	BULK	Rs.	SPC	DHS	Rs.	2020	2019	Rs.	Rs.	Rs.
TRANSPORTATION, COMMUNICATION UTILITIES & OTHER SERVICES												
Rent/Amortization of ROU Assets (Note 17.2)	25,056,301	-	2,643,287	-	27,699,588	-	-	27,699,588	-	23,944,327	-	-
Lease rent amortization	618,474	-	160,000	-	778,474	-	-	778,474	-	780,609	-	-
Rates & taxes.	945,110	-	593,537	-	1,538,646	593,537	593,537	2,132,183	2,106,552	2,257,771	2,106,552	2,257,771
Water bills	986,212	99,517	510,412	-	1,596,140	510,412	510,412	2,106,552	2,106,552	2,257,771	2,106,552	2,257,771
Electricity.	21,893,434	-	13,257,533	-	35,150,967	13,257,533	13,257,533	48,408,501	48,408,501	50,965,554	48,408,501	50,965,554
Postage, Telegrams & Telephones.	3,909,905	107,855	6,376,438	-	10,394,198	6,376,438	6,376,438	16,770,636	16,770,636	17,855,234	16,770,636	17,855,234
Trade subscriptions, Periodicals & Publications.	288,320	-	106,050	-	394,370	106,050	106,050	500,420	500,420	735,857	500,420	735,857
Professional charges.	-	-	488,391	-	488,391	488,391	488,391	976,783	976,783	4,011,099	976,783	4,011,099
Insurance.	-	-	2,406,771	-	2,406,771	2,406,771	2,406,771	4,813,542	4,813,542	4,819,323	4,813,542	4,819,323
Press notification.	-	-	4,396,123	-	4,396,123	4,396,123	4,396,123	14,653,743	14,653,743	15,220,778	14,653,743	15,220,778
Security services.	23,126,595	583,236	6,201,257	-	29,911,088	6,201,257	6,201,257	36,112,345	36,112,345	38,136,754	36,112,345	38,136,754
Depreciation	29,087,289	-	24,733,309	-	53,820,599	24,733,309	24,733,309	78,553,908	78,553,908	75,085,985	78,553,908	75,085,985
Amortisation- Computer Software	700,166	-	-	-	700,166	-	-	700,166	700,166	-	-	-
License fees for drugs.	1,056,264	-	15,344,785	-	16,401,049	15,344,785	15,344,785	16,401,049	16,401,049	11,230,434	16,401,049	11,230,434
Sundry expenses.	185,353	15,600	157,059	-	358,012	157,059	73,910	431,922	431,922	844,393	431,922	844,393
Directors fees.	-	-	310,000	-	310,000	310,000	310,000	620,000	620,000	580,000	620,000	580,000
Audit fees.	-	-	1,285,298	-	1,285,298	1,285,298	1,285,298	2,570,595	2,570,595	2,570,595	2,570,595	2,570,595
Tender board expenses.	-	-	3,393,060	-	3,393,060	3,393,060	7,917,140	11,310,200	11,310,200	9,850,600	11,310,200	9,850,600
Staff welfare.	18,605,153	-	12,419,081	-	31,024,234	12,419,081	15,806,103	46,830,337	46,830,337	52,829,608	46,830,337	52,829,608
Staff medical expenses.	5,512,982	-	3,477,875	-	8,990,857	3,477,875	4,426,387	13,417,244	13,417,244	13,729,274	13,417,244	13,729,274
Donations	-	-	3,683,694	-	3,683,694	3,683,694	-	3,683,694	3,683,694	2,049,644	3,683,694	2,049,644
Holiday bungalow expenses	-	-	425,927	-	425,927	425,927	542,089	968,016	968,016	3,598,150	968,016	3,598,150
Total	131,971,558	806,208	102,369,885	806,208	235,147,651	95,292,244	95,292,244	330,439,895	330,439,895	333,203,198	330,439,895	333,203,198
TOTAL ADMINISTRATIVE Ex	674,049,794	2,000,575	516,797,838	2,000,575	1,192,848,207	560,985,298	560,985,298	1,753,833,505	1,753,833,505	1,619,555,258	1,753,833,505	1,619,555,258

NOTE 13

OTHER OPERATING EXPENSES	OSUSALAS		SPC TRADING		TOTAL TRADING SPC Rs.	TOTAL TRADING DHS Rs.	TOTAL TRADING 2020 Rs.	TOTAL TRADING (Restated) 2019 (Rs.)
	Rs.	O.R.S Rs.	BULK Rs.					
SELLING & DISTRIBUTION EXPENSES								
Sales promotion expenses.	-	-	6,866,117	6,866,117	-	6,866,117	38,307,518	
Prescriber	-	-	1,324,509	1,324,509	-	1,324,509	2,271,158	
Transport charges.	-	-	13,189,923	13,189,923	-	13,189,923	13,549,365	
Provision for bad debts	-	-	24,235,111	24,235,111	573,691,966	597,927,077	677,547,654	
Discount on otusala sales	-	-	9,391,436	9,391,436	-	9,391,436	7,084,105	
Additional discounts	-	-	106,742,654	106,742,654	-	106,742,654	94,925,447	
Value Added Tax	-	-	2,573,925	2,573,925	7,721,775	10,295,700	17,611,136	
Dealers convention	-	-	-	-	-	-	44,000	
Stock losses	-	-	1,137,164	1,137,164	-	1,137,164	1,094,106	
Stock adj. (Excess/Shortage)	(6,188)	-	(1,966)	(8,154)	-	(8,154)	334,510	
Pro. for outdated & damaged drugs	8,764,486	-	94,879,782	103,644,268	-	103,644,268	51,676,681	
Pro. for outdated & damaged drugs - DHS	-	-	-	-	93,389,052	93,389,052	58,855,606	
Stamp fee	-	-	460,200	460,200	-	460,200	507,430	
Setting up expenses	-	-	318,630	318,630	-	318,630	6,165,615	
Storage charges	-	-	-	-	4,741,451	4,741,451	3,076,746	
Sundry packing materials.	-	-	81,198	11,685,156	-	11,685,156	11,694,660	
TOTAL	11,603,957	-	261,198,684	281,560,939	679,544,244	961,105,182	984,745,738	
RESEARCH & DEVELOPMENT								
Drugs for testing	-	-	7,266	7,266	13,493	20,759	10,343	
Testing charges for samples	-	-	327,020	327,020	607,322	934,342	641,120	
Drugs for sample	-	-	6,313	6,313	11,723	18,036	-	
TOTAL	-	-	340,598	340,598	632,539	973,137	651,463	
TOTAL OTHER OPERATING EXPENSES	20,362,255	-	261,539,282	281,901,537	680,176,783	962,078,319	985,397,201	

NOTE 14

FINANCE EXPENSES	OSUSALAS	SPC TRADING	TOTAL
	Rs.	O.R.S Rs.	Rs.
FINANCE EXPENSES			
O/D interest	-	-	686,878,333
Lease interest charge for the year (Note 17.2)	-	-	8,326,647
Bank charges	-	-	2,261,061
TOTAL FINANCE COST	-	-	697,466,041

MAJOR COMPONENT OF TAX EXPENSES	NOTE 15	
	2020	2019
	Rs.	Rs.
Current tax expenses (Note 15.1)	664,702,039	594,548,274
Over/ Under provision in respect of previous years	12,423,221	(150,530)
Adj. Deferred tax Income/ Expenses relating to the origination and reversal of temporary differences (Note 20)	(100,724,309)	(82,172,751)
Tax Expenses	576,400,951	512,224,994

RECONCILIATION OF ACCOUNTING PROFIT TO INCOME TAX EXPENSES	NOTE 15.1	
	2020	2019
	Rs.	Rs.
Profit Before Tax	2,545,624,468	2,176,094,213
Disallowable expenses	382,266,378	227,822,420
Qualifying payments	(158,299,018)	(280,529,939)
Taxable Income	2,769,591,828	2,123,386,694
Income Tax @ 24% (For the year 2019 - 28%)	664,702,039	594,548,274
Tax on Distributable Profit 25% (net)	-	-
Income tax on current year profit	664,702,039	594,548,274
Over/ Under provision in respect of previous years	12,423,221	(150,530)
Adj. Deferred tax Income/ Expenses relating to the origination - and reversal of temporary differences (Note 20)	(100,724,309)	(82,172,751)
Tax Expenses	576,400,951	512,224,994
Effective Tax Rate %	22.6	23.5

NOTE 16

PROPERTY, PLANT AND EQUIPMENT	Freehold Land		Buildings		Motor Vehicles		Delivery Cycles		Furniture & Fittings		Equipment		Plant & Machinery		Computers		Total		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
COST OF DEEMED COST																			
At 1 January 2019	1,199,639,630	624,417,636	-	173,482,531	59,063	83,340,656	146,604,838	46,454,370	84,655,035	2,358,653,758									
Additions	-	-	-	-	-	10,674,506	32,465,979	-	9,400,535	52,541,021									
Disposals	-	-	-	(1,434,800)	(19,913)	(980,840)	(1,308,188)	-	(807,850)	(4,551,590)									
At 31 December 2019	1,199,639,630	624,417,636	-	172,047,731	39,150	93,034,323	177,762,629	46,454,370	93,247,720	2,406,643,189									
Additions	-	-	-	-	-	8,680,980	8,508,713	-	13,304,052	30,493,744									
Disposals	-	-	-	-	-	-	-	-	-	-									
At 31 December 2020	1,199,639,630	624,417,636	-	172,047,731	39,150	101,715,303	186,271,342	46,454,370	106,551,772	2,437,136,933									
DEPRECIATION & IMPAIRMENT																			
At 1 January 2019	-	91,444,133	-	41,625,333	54,322	17,246,050	59,475,523	17,998,731	25,458,314	253,302,406									
Depreciation charge for the year	-	16,556,083	-	8,082,440	2,342	8,925,529	30,573,415	5,373,073	17,055,641	86,568,523									
Disposals	-	-	-	(314,800)	(19,913)	(354,449)	(994,177)	-	(744,911)	(2,428,250)									
At 31 December 2019	-	108,000,216	-	49,392,973	36,751	25,817,130	89,054,761	23,371,804	41,769,043	337,442,678									
Depreciation charge for the year	-	16,556,083	-	8,082,440	2,342	9,780,263	35,618,156	5,218,554	16,004,622	91,262,460									
Disposals	-	-	-	-	-	-	-	-	-	-									
At 31 December 2020	-	124,556,299	-	57,475,413	39,092	35,597,393	124,672,917	28,590,358	57,773,665	428,705,139									
NET BOOK VALUE																			
At 31 December 2020	1,199,639,630	499,861,336	-	114,572,318	58	66,117,909	61,598,425	17,864,011	48,778,106	2,008,431,794									
At 31 December 2019	1,199,639,630	516,417,420	-	122,654,758	2,399	67,217,193	88,707,869	23,082,565	51,478,677	2,069,200,510									
At 31 December 2018	1,199,639,630	532,973,503	-	131,857,198	4,741	66,094,606	87,129,314	28,455,639	59,196,721	2,105,351,352									

RIGHT-OF -USE ASSETS	NOTE 17	
	Land and Building 2020	Land and Building 2019
	RS.	RS.
Carrying Amount at the Beginning of the Year	54,672,686	-
Additions during the Year	10,694,945	73,142,188
Amortization during the Year (Note No 17.2)	(23,400,940)	(18,469,502)
Carrying Amount at the End of the Year	41,966,690	54,672,686

LEASE LIABILITY	NOTE 17.1	
	2020	2019
	RS.	RS.
OBLIGATION TO MAKE THE LEASE PAYMENTS		
Gross Lease Liabilities - Minimum Lease Payments	60,500,961	77,222,700
Obligations under Lease		
No later than One Year	25,596,815	26,230,739
Later than one year but no later than five years	31,854,496	47,942,311
Later than five years	3,049,650	3,049,650
	60,500,961	77,222,700
Future Finance Charges on Leases	(12,779,325)	(18,528,917)
The present value of lease liabilities	47,721,636	58,693,783
<i>The present value of lease liabilities is classified as:</i>		
Current Liabilities	19,870,218	19,187,485
Non-Current Liabilities	27,851,418	39,506,298

AMOUNTS RECOGNIZED IN PROFIT & LOSS	NOTE 17.2	
	2020	2019
	RS.	RS.
Amortization of "Right-of-Use" (ROU) Assets for the Year	23,400,940	18,469,501
Expenses not included in the measurement of lease liabilities -short-term lease,variable lease payments, low-value assets etc.	4,298,647	5,474,826
Administration Expenses (Note 12)	27,699,588	23,944,327
Interest paid/payable for lease liabilities (Note 14)	8,326,647	8,777,063

LEASE ASSETS PAID IN ADVANCE	NOTE 18	
	2020	2019
	RS.	RS.
Ratmalana Land 99 year	9,400,000	9,560,000
Osusala Badulla (Bus Stand) 50 year	3,451,500	3,566,550
Osusala Badulla (CWE) 33 year	4,146,970	4,356,061
Osusala Nugegoda 30 year	5,843,226	6,136,559
Total rent paid in advance	22,841,696	23,619,169

Lease rentals paid in advance represents operating leases stated at cost/ revaluation less accumulated amortisation. Such carrying amounts are amortised over the remaining lease period or useful life of the leasehold property whichever is shorter.

NOTE 19

INTANGIBLE ASSETS - COMPUTER SOFTWARE

	2020 Rs.	2019 Rs.
As at the beginning of the year	-	-
Acquisition/Incurred during the year	3,500,828	-
Amortisation charge for the year	700,166	-
As at the end of the year	2,800,662	-

NOTE 20

DEFERRED TAX ASSETS/ LIABILITIES

	Balance 1 st January 2020 Rs.	Recognised in profit & Loss Rs.	Balance 31 st December 2020 Rs.	Balance 1 st January 2019 Rs.	Recognised in profit & Loss Rs.	Balance 31 st December 2019 Rs.
On Property plant & equipment	120,005,219	(18,593,692)	101,411,527	112,050,280	7,954,939	120,005,219
Deferred tax liability	120,005,219	(18,593,692)	101,411,527	112,050,280	7,954,939	120,005,219
On Retirement benefit obligation	(71,386,761)	(47,573,131)	(118,959,892)	(61,933,789)	(9,452,972)	(71,386,761)
Provision for disputed items	(80,674,717)	(34,557,486)	(115,232,203)	-	(80,674,717)	(80,674,717)
Deferred tax Assets	(152,061,478)	(82,130,617)	(234,192,095)	(61,933,789)	(90,127,689)	(152,061,478)
Net Deferred Tax Assets/ Liability	(32,056,259)	(100,724,309)	(132,780,568)	50,116,492	(82,172,751)	(32,056,259)

	2020						2019					
	Bin Balance	Stock Adj.	Trading Stock in Hand	Prov. for Damaged & Outdated Stock	Prov. for Unrealized Profit	Stock (as at 31 st Dec.)	Bin Balance	Stock Adj.	Trading Stock in Hand	Prov. for Damaged & Outdated Stock	Prov. for Unrealized Profit	Stock (as at 31 st Dec.)
	Rs.	Rs.	(Rs.)	(Rs.)	(Rs.)	Rs.	Rs.	(Rs.)	(Rs.)	(Rs.)	(Rs.)	Rs.
TRADING STOCK												
Stock in Transit	34,321,694	-	34,321,694	-	-	34,321,694	92,890,515	-	92,890,515	-	-	92,890,515
Bulk Stores	1,531,716,016	(1,966)	1,531,717,983	206,719,236	-	1,324,998,747	1,557,908,697	-	1,557,908,697	164,559,976	-	1,393,348,721
Trading Stock Osusala (NOTE 30.4)	1,284,852,160	(6,188)	1,284,858,348	8,764,486	48,931,482	1,227,162,381	1,201,722,391	334,510	1,201,387,881	3,979,288	47,805,803	1,149,602,790
Finished Products- ORS	1,059,986	-	1,059,986	-	-	1,059,986	431,493	-	431,493	-	-	431,493
Raw Materials -ORS	1,148,181	-	1,148,181	-	-	1,148,181	2,056,396	-	2,056,396	-	-	2,056,396
Total	2,853,098,037	(8,154)	2,853,106,191	215,483,721	48,931,482	2,588,690,988	2,855,009,492	334,510	2,854,674,982	168,539,264	47,805,803	2,638,329,915
SUNDRY STOCKS												
Printing Stationery	19,511,265	-	19,511,265	-	-	19,511,265	17,041,824	-	17,041,824	-	-	17,041,824
Packing Materials	29,450,479	-	29,450,479	-	-	29,450,479	26,307,278	-	26,307,278	-	-	26,307,278
Miscellaneous Stocks	1,605,671	-	1,605,671	-	-	1,605,671	3,478,148	-	3,478,148	-	-	3,478,148
Total	50,567,414	-	50,567,414	-	-	50,567,414	46,827,250	-	46,827,250	-	-	46,827,250
Disputed items	111,839,453	-	111,839,453	-	-	111,839,453	116,862,583	-	116,862,583	-	-	116,862,583
Total	3,015,504,905	(8,154)	3,015,513,059	215,483,721	48,931,482	2,751,097,855	3,018,699,325	334,510	3,018,364,815	168,539,264	47,805,803	2,802,019,748

	NOTE 22	
STOCKS IN TRANSIT - DHS	2020	2019
	Rs.	Rs.
Stock in Transit	1,196,371,305	260,081,054
Add: Disputed Items - DHS		
Disputed stock as at 31.12.20	383,035,656	191,903,153
Disputed balances as at 31.12.20	14,603,745	14,603,745
Less: Provision for unsalable	279,254,202	185,865,151
Goods in Transit - DHS	1,314,756,504	280,722,801

	NOTE 23		
TRADE AND OTHER RECEIVABLES	2020	2019	
	Rs.	Rs.	
	Note		
Total Dues From DHS	(Note 23.1)	34,424,918,066	27,854,818,156
Trade Debtors	(Note 23.1)	1,426,074,422	1,341,855,283
Staff Loans	(Note 23.1)	98,557,382	100,514,406
Other Staff Advances	(Note 23.1)	133,318	1,166,650
Deposits and Advances	(Note 23.1)	378,600,914	105,403,639
Other Receivables & Recoverable	(Note 23.1)	40,414,232	43,559,728
Total		36,368,698,334	29,447,317,864
Less: Provision for bad & doubtful debts		2,686,246,516	2,147,687,455
Trade and Other Receivables		33,682,451,818	27,299,630,409

	NOTE 23.1	
DEBTORS ANALYSIS	2020	2019
	Rs.	Rs.
TOTAL DUES FROM DHS		
Local Purchase on DHS Tenders	920,317	920,317
DHS Turnover Tax & Custom Duty	51,927,472	51,927,472
Purchase Clearing - DHS	158,744,103	158,744,103
Department of Health Services	34,213,326,174	27,643,226,264
Total	34,424,918,066	27,854,818,156

DEBTORS ANALYSIS - Cont.	NOTE 23.1	
	2020 Rs.	2019 Rs.
TRADE DEBTORS		
Distributors	307,968,435	314,818,095
Sales Representatives	49,470	1,600
Private Sector Organizations	77,885,618	51,928,955
Forces	706,184,859	691,767,451
Franchise Osusalas	35,616,110	38,356,750
Authorized retailer	1,973,725	2,864,076
Hospitals- Government	140,042,955	172,144,175
Hospitals- Private	21,072,070	13,438,310
Government Dept. & Corporations	105,330,015	27,230,489
Disputed Debtors - Government Sector	17,042,441	17,281,189
Disputed Debtors - Private Sector	2,468,674	1,584,144
Debtors under litigatio	10,440,050	10,440,050
Total	1,426,074,422	1,341,855,283
STAFF LOANS		
Staff Loan	98,557,382	100,514,406
Total	98,557,382	100,514,406
OTHER STAFF ADVANCES		
Cycle Loans	6,048	11,880
Festival Advance	127,270	1,154,770
Total	133,318	1,166,650
DEPOSITS AND ADVANCES		
Advance Payments to Suppliers	378,322,305	103,959,206
General Advance	278,609	1,444,433
Total	378,600,914	105,403,639
OTHER RECEIVABLES & RECOVERABLE		
Sundry Debtors	7,659,459	8,368,526
E Channeling control A/c	25,556	25,556
Insurance Claim Receivables	376,131	1,862,093
Claim receivable from supplier	32,353,085	33,303,553
Total	40,414,232	43,559,728
TOTAL DEBTORS AND OTHER RECEIVABLES	36,368,698,334	29,447,317,864

DEBTORS ANALYSIS - Cont.
NOTE 23.2

(Rs. Million)

	Over 5 Years	4 to 5 Years	3 to 4 Years	2 to 3 Years	1 to 2 Years	Less than 1 Year	Total
Age Analysis - DHS							
DHS - Outstanding	2,469	532	440	2,296	12,693	14,371	32,801
Deductions - Claim from Suppliers	710	61	2	33	271	323	1,400
Import, Local & Custom duty	211	-	-	-	-	-	211
	3,390	593	442	2,329	12,964	14,694	34,412
			184 - 365	93 - 184	32 - 92	O - 31	Grand Total
Age Analysis - SPC			Days	Days	Days	Days	
Trade Debtors	13	39	293	281	399	401	1,426

NOTE 24
PREPAYMENTS

	2020 Rs.	2019 Rs.
Pre- Payments	57,883,654	17,860,829
Employee Security Investments	441,636	441,636
Deposits - Postal Franking Machine	645,982	562,842
Pre paid Staff Expenses	4,927,979	7,809,528
Advance Payments to Port Authority	9,840,446	1,545,446
Miscellaneous Deposits	10,689,571	13,974,567
Container Deposits - SPC	2,231,340	1,720,840
Container Deposits - DHS	14,256,467	10,015,467
Total	100,917,075	53,931,154

NOTE 25
CASH AND CASH EQUIVALENTS

	2020 Rs.	2019 Rs.	
People's Bank	A/C - 90210892	504,465,182	619,136,479
People's Bank	A/C - 90210929	319,835,973	-
Bank of Ceylon	A/C - 1438	101,103,104	363,397,711
Bank of Ceylon	A/C - 1425	-	16,780,435
Bank of Ceylon	A/C - 1435	179,977,132	-
Bank of Ceylon	A/C - 70556680	5,422,167	16,577,804
Bank of Ceylon	A/C - 84740710	8,781,842	2,388,894
Standard Chartered Bank	A/C - 1171968 01	7,985,743	8,058,975
Commercial bank	A/C - 50401	55,007	55,007
Sampath Sanhida	A/C - 10218	558,082	803,850
Investments			
Treasury Bill - Credit Insurance Scheme		67,866,844	59,775,544
Treasury Bill - Supplier Convention		28,558,167	26,497,356
Petty Cash Impress - Control		748,622	751,450
Total		1,225,357,866	1,114,223,505

EMPLOYEE RETIREMENT GRATUITY	NOTE 26	
	2020 Rs.	2019 Rs.
Gratuity opening balance	254,952,718	221,192,102
Interest Cost (Note 26.3)	26,770,035	25,437,092
Current Service Cost (Note 26.3)	37,875,434	17,786,432
Actuarial Gain / Loss (Note 26.3)	191,755,485	1,926,328
Benefit paid/ payables during the year	(15,687,456)	(11,389,235)
Total	495,666,216	254,952,718

An actuarial valuation was carried out by Mr. M. Poopalanathan, AIA, of Messrs.' Actuarial and Management Consultants (Pvt) Ltd., a firm of professional actuaries as at 31st December 2020.

The principal actuarial valuation assumptions used are as follows:	NOTE 26.1	
	2020	2019
Discount %	8% p.a.	10.5% p.a.
Future salary increase %	5% p.a.	5% p.a.
Allowance increase %	10% p.a.	10% p.a.
Retiring age	60 Years	60 Years
Staff Turnover Factor	1.2%	2%

Sensitivity Analysis	NOTE 26.2	
	Present Value of Defined Benefit Obligation 2020 Rs.	Present Value of Defined Benefit Obligation 2019 Rs.
Discount Rate:		
1% Increase	447,062,131	234,589,854
1% Decrease	553,340,453	278,555,604
Salary Escalation Rate (Including Allowances):		
1% Increase	552,247,284	278,727,847
1% Decrease	447,040,772	234,113,779

The amounts recognized in the Income Statement are as follows,	NOTE 26.3	
	2020 Rs.	2019 Rs.
Current service cost	37,875,434	17,786,432
Interest charges for the year	26,770,035	25,437,092
Actuarial gain/loss charged	-	-
Gratuity include in the staff cost (Note 12)	64,645,469	43,223,524
Actuarial gain/loss - OCI	191,755,485	1,926,328
Total	256,400,954	45,149,851

LONG TERM LOANS	NOTE 27		
	Bank of Ceylon Rs.	People's Bank Rs.	Total value Rs.
Loan amount	5,876,000,000	6,000,000,000	11,876,000,000
Total Paid	-	-	-
Balance C/F	5,876,000,000	6,000,000,000	11,876,000,000
Balance to be paid			
Not later than one year	408,055,556	83,300,000	491,355,556
Later than one year	5,467,944,444	5,916,700,000	11,384,644,444

The Government Treasury has arranged the above Term loans in enabling SPC to maintain its liquidity within the already approved overdraft facility limits and undertake to settle the same with interest. Repayment of monthly installment commence after the grace period of 12 months from the date of disbursement of the loan. (PB - 02.11.2020, BOC -31.07.20)

TRADE AND OTHER PAYABLES	NOTE 28	
	2020	2019
Accrued charges & provision	265,336,649	330,352,339
Interest received in advance - Government Treasury	3,338,346	
Creditors control	1,806,608,220	2,930,167,563
Special order advance	21,134,366	21,134,366
Customer advance	423,915	650,548
Security deposits	595,319	597,319
Salaries control	9,172,466	622,158
Bank bills payable - SPC	193,274,287	272,754,133
Bank bills payable - DHS	13,694,107,219	12,644,169,738
Interest on cash security deposits	79,311	60,840
Tender deposits	3,898,039	2,513,940
Loans & other recoveries (Staff)	40,286,215	11,748,273
Gratuity payable	76,247	76,247
P.A.Y.E	-	68,612
Seva Vanitha	103,280	102,280
Welfare fund	553,993	521,415
MD/Chairman's contribution to Staff welfare	3,447,151	
Cash Deposit in lieu of Bank Guarantee	12,476,419	8,175,939
Agency commission	28,896,953	31,695,947
Value added tax	33,852,608	38,327,495
Total	16,117,661,004	16,293,739,152

CURRENT FINANCIAL LIABILITIES	NOTE 29		
		2020	2019
Bank of Ceylon	A/C -1435		2,593,473,379
Bank of Ceylon	A/C -1425	20,333,562	-
People's bank	A/C -90210929	-	3,695,362,675
Commercial bank	A/C -150701	35,595,438	21,879,612
Total		55,929,000	6,310,715,665

NOTE 30

OSUSALA INCOME for the year ended 31 st Dec. 2020	Osu Sala Trading Col.07		Osu Sala Trading Col.04		Osu Sala Trading Col.01		Osu Sala Trading Kandy		Osu Sala Trading Nugegoda		Osu Sala Trading Avissawella		Osu Sala Trading Ratnapura		Osu Sala Trading Minu.		Osu Sala Trading Panadura		Osu Sala Trading Galle		Osu Sala Trading Matara		Osu Sala Trading Kurunegala															
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.													
Sales	945,136,014	618,910,145	269,546,674	253,365,437	136,050,865	74,718,695	96,379,750	54,448,862	132,169,781	104,450,430	93,786,704	219,403,068	793,716,297	533,860,306	216,341,511	215,426,821	117,347,598	18,703,267	18,811,825	9,209,952	23,319,746	18,578,420	14,334,861	32,572,465	Cost of Sales (Note 30.1)	793,716,297	533,860,306	216,341,511	215,426,821	117,347,598	18,703,267	18,811,825	9,209,952	23,319,746	18,578,420	14,334,861	32,572,465	
Gross Profit on Sales & Transfers	151,419,717	85,049,839	53,205,162	37,938,616	18,703,267	12,422,451	18,811,825	9,209,952	23,319,746	18,578,420	14,334,861	32,572,465	151,419,717	85,049,839	53,205,162	37,938,616	18,703,267	18,811,825	9,209,952	23,319,746	18,578,420	14,334,861	32,572,465	ADMINISTRATIVE EXPENSES (Note 30.2)	76,186,210	17,513,013	15,409,766	27,115,035	16,400,926	11,074,816	12,368,269	7,898,601	13,822,119	17,512,963	15,681,909	15,173,371		
Personnel Expenses	76,186,210	17,513,013	15,409,766	27,115,035	16,400,926	11,074,816	12,368,269	7,898,601	13,822,119	17,512,963	15,681,909	15,173,371	Travelling Expenses	12,638	2,683	22,638	3,040	46,982	25,815	4,500	21,934	87,360	Supplies & Requisites	818,784	289,540	215,436	325,582	62,550	138,513	170,666	30,369	264,295	175,791	157,177	326,274			
Repairs & Maintenance	1,160,481	164,907	104,807	194,007	90,060	148,190	206,450	60,939	149,811	167,742	232,441	97,859	Transportation, Communication, Utilities & Other	14,509,448	3,724,801	2,404,808	4,417,235	3,427,786	2,875,692	3,109,240	2,101,446	3,188,224	3,302,392	4,904,768	OTHER OPERATING EXPENSES (Note 30.3)	1,291,011	1,230,315	619,627	989,222	853,158	381,978	519,108	44,049	524,496	439,751	301,245	741,623	
Selling & Distribution Expenses	1,291,011	1,230,315	619,627	989,222	853,158	381,978	519,108	44,049	524,496	439,751	301,245	741,623	TOTAL OVERHEADS	93,978,571	22,925,260	18,777,082	33,058,651	20,837,520	14,638,479	16,391,874	10,182,387	17,974,759	21,395,483	19,697,097	21,331,255	NET PROFIT/(LOSS)	57,441,145	62,124,579	34,428,081	4,879,964	(2,134,253)	(2,216,028)	2,419,951	(972,435)	5,344,987	(2,817,063)	(5,362,235)	11,241,210

NOTE 30.1

COST OF SALES	Osu Sala Trading Col.07		Osu Sala Trading Col.04		Osu Sala Trading Col.01		Osu Sala Trading Kandy		Osu Sala Trading Nugegoda		Osu Sala Trading Avissawella		Osu Sala Trading Ratnapura		Osu Sala Trading Minu.		Osu Sala Trading Panadura		Osu Sala Trading Galle		Osu Sala Trading Matara		Osu Sala Trading Kurunegala														
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.													
Stock in Trade - at the beginning of the year	162,675,926	69,465,132	37,847,785	69,750,515	42,725,929	13,691,839	25,628,510	11,785,570	36,421,437	20,949,701	16,841,594	60,913,836	Local purchases	590,697,242	432,469,159	164,160,181	91,366,335	50,330,423	20,688,166	43,837,180	48,739,879	66,290,940	54,319,096	121,627,757	Transfers	219,741,111	136,755,289	88,522,860	124,394,379	60,165,431	43,837,180	99,558,090	58,973,967	146,952,783	107,008,347	95,469,124	250,428,085
STOCKS AVAILABLE FOR SALE	973,114,278	638,689,580	290,530,826	285,511,228	153,221,783	78,217,185	99,558,090	58,973,967	146,952,783	107,008,347	95,469,124	250,428,085	Stock in trade at year end (Note 30.4)	179,397,981	104,829,274	74,189,314	70,084,407	35,874,185	15,920,941	21,990,164	38,102,748	21,136,337	16,017,282	63,597,482	COST OF SALES & TRANSFERS	793,716,297	533,860,306	216,341,511	215,426,821	117,347,598	62,296,244	77,567,926	45,238,910	108,850,035	85,872,010	79,451,842	186,830,603

NOTE 30

OSUSALA INCOME for the year ended 31 st Dec. 2020	Osu Sala Trading Ampara		Osu Sala Trading Hambantota		Osu Sala Trading Apura		Osu Sala Trading Maharagama		Osu Sala Trading Jpura		Osu Sala Trading Karapitiya		Osu Sala Trading Negombo		Osu Sala Trading BadullaCWE		Osu Sala Trading Diyathalawa		Osu Sala Trading Jaffna		Osu Sala Trading Polonnaruwa		Osu Sala Trading Ratmalana								
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							
Sales	133,089,848	64,165,721	110,396,660	117,215,642	215,416,145	117,415,462	92,723,395	101,764,264	26,153,907	73,509,290	60,849,878	90,201,590	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		
Cost of Sales (Note 30.1)	22,245,420	10,836,857	19,050,448	21,774,580	37,672,307	16,068,319	15,266,609	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		
ADMINISTRATIVE EXPENSES (Note 30.2)																															
Personnel Expenses	6,785,776	7,243,235	10,257,869	13,728,147	29,488,981	14,937,491	10,602,165	10,683,887	5,324,481	7,651,100	9,663,367	2,762,887	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		
Travelling Expenses	-	1,500	10,040	404	1,360	8,250	19,140	10,298	1,150	15,300	950	43,252	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		
Supplies & Requisites	102,779	116,587	144,738	167,132	398,066	224,527	121,553	88,091	20,135	127,060	250,827	84,428	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		
Repairs & Maintenance	161,138	29,403	85,354	48,618	199,041	179,204	128,118	159,845	36,405	133,242	205,398	7,307	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		
Transportation, Communication, Utilities & Other	2,097,381	2,072,694	3,413,154	3,677,705	4,870,265	3,929,684	2,800,673	2,398,703	392,411	1,069,019	2,738,996	236,079	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		
OTHER OPERATING EXPENSES (Note 30.3)																															
Selling & Distribution Expenses	215,118	301,939	254,377	397,388	517,761	268,824	287,194	452,953	141,674	122,593	192,367	91,839	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		
TOTAL OVERHEADS	9,362,192	9,765,357	14,165,532	18,019,394	35,475,474	19,547,980	13,958,842	13,793,778	5,916,256	9,118,313	13,051,905	3,225,792	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		
NET PROFIT/(LOSS)	12,883,228	1,071,500	4,884,915	3,755,186	2,196,833	(3,479,661)	1,307,767	1,540,117	(2,428,258)	3,541,098	4,740,780	(598,947)	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845		

NOTE 30.1

COST OF SALES	Osu Sala Trading Ampara		Osu Sala Trading Hambantota		Osu Sala Trading Apura		Osu Sala Trading Maharagama		Osu Sala Trading Jpura		Osu Sala Trading Karapitiya		Osu Sala Trading Negombo		Osu Sala Trading BadullaCWE		Osu Sala Trading Diyathalawa		Osu Sala Trading Jaffna		Osu Sala Trading Polonnaruwa		Osu Sala Trading Ratmalana						
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.					
Stock in Trade - at the beginning of the year	23,015,520	20,349,679	27,983,557	33,849,709	48,739,430	32,265,489	14,402,834	22,645,076	5,692,926	22,123,700	24,799,846	1,820,097	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845
Local purchases	23,002,475	19,471,814	25,768,575	48,990,840	94,482,448	33,912,680	33,059,264	36,729,193	5,920,245	23,811,055	22,941,662	3,454,565	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845
Transfers	93,980,885	38,045,183	55,173,573	53,812,336	81,082,303	63,134,355	45,911,709	46,227,205	19,293,982	38,514,078	68,317,165	8,560,498	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845
STOCKS AVAILABLE FOR SALE	139,998,880	77,866,676	108,925,705	136,652,884	224,304,181	129,312,524	93,373,806	105,601,475	30,907,152	84,448,833	116,058,673	13,835,160	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845
Stock in trade at year end (Note 30.4)	29,154,452	24,537,812	17,579,492	41,211,822	46,560,343	27,965,381	15,917,021	19,171,106	8,241,244	23,598,955	25,857,082	3,249,408	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845
COST OF SALES & TRANSFERS	110,844,428	53,328,864	91,346,213	95,441,062	177,743,838	101,347,143	77,456,785	86,430,369	22,665,908	60,849,878	90,201,590	10,585,752	107,994,275	13,212,596	110,844,428	53,328,864	91,346,213	110,396,660	95,441,062	177,743,838	101,347,143	16,068,319	15,266,609	86,430,369	15,333,895	3,487,999	12,659,412	17,792,684	2,626,845

NOTE 30

OSUSALA INCOME
for the year ended 31st Dec. 2020

	Osu Sala Trading Akkaraipattu	Osu Sala Trading Monaragala	Osu Sala Trading Peradeniya	Osu Sala Trading Anamadawa	Osu Sala Trading KDU	Osu Sala Trading Dambulla	Osu Sala Trading Matale	Osu Sala Trading B.S.Badulla	Osu Sala Trading Mathugama	Osu Sala Trading Kandy	Osu Sala Trading Total Trading Activities
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	32,092,585	66,146,054	104,551,231	17,556,364	25,779,222	70,888,351	74,702,717	20,366,766	39,035,473	200,123,627	5,615,646,408
Cost of Sales (Note 30.1)	27,281,577	55,100,305	86,588,857	14,275,065	21,146,398	61,721,697	62,222,791	16,693,219	31,111,303	150,586,393	4,687,628,820
Gross Profit on Sales & Transfers	4,811,009	11,045,749	17,962,374	3,281,299	4,632,823	9,166,654	12,479,926	3,673,547	7,924,170	49,537,234	928,017,589

ADMINISTRATIVE EXPENSES (Note 30.2)

Personnel Expenses	4,774,327	6,890,987	8,516,817	4,047,579	4,830,594	7,226,434	5,704,334	4,635,028	5,469,689	7,716,093	529,174,625
Travelling Expenses	345	18,800	56,292	10,570	53,335	100,380	1,400	11,515	-	43,572	967,683
Supplies & Requisites	69,645	122,511	91,184	43,021	119,720	143,760	165,795	66,543	94,059	139,104	6,642,612
Repairs & Maintenance	23,888	24,900	12,655	16,253	5,364	25,795	11,835	18,295	54,947	143,543	5,293,317
Transportation, Communication, Utilities & Other	2,202,351	2,450,225	2,275,411	2,239,659	851,570	2,903,188	2,598,845	1,536,327	2,184,016	3,494,320	131,971,558

OTHER OPERATING EXPENSES (Note 30.3)

Selling & Distribution Expenses	179,108	219,493	415,764	787,892	115,928	3,663,502	175,618	297,095	220,064	237,133	20,362,255
TOTAL OVERHEADS	7,249,664	9,726,915	11,368,123	7,144,974	5,976,511	14,063,059	8,657,826	6,564,803	8,022,775	11,773,766	694,412,049
NET PROFIT/(LOSS)	(2,438,655)	1,318,834	6,594,251	(3,863,675)	(1,343,688)	(4,896,404)	3,822,100	(2,891,256)	(98,605)	37,763,468	233,605,540

NOTE 30.1

COST OF SALES

	Osu Sala Trading Akkaraipattu	Osu Sala Trading Monaragala	Osu Sala Trading Peradeniya	Osu Sala Trading Anamadawa	Osu Sala Trading KDU	Osu Sala Trading Dambulla	Osu Sala Trading Matale	Osu Sala Trading B.S.Badulla	Osu Sala Trading Mathugama	Osu Sala Trading Kandy	Osu Sala Trading Total Trading Activities
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stock in Trade - at the beginning of the year	9,167,502	20,422,407	18,227,286	9,651,881	6,585,133	47,393,719	15,717,355	10,895,662	9,292,521	21,551,783	1,197,408,594
Local purchases	8,456,946	7,295,970	25,283,034	4,405,622	14,924,223	10,662,564	18,521,355	2,627,281	16,064,898	-	2,206,092,540
Transfers	20,492,374	42,761,591	59,003,204	7,826,635	12,032,033	32,057,043	44,065,075	11,555,116	20,903,371	155,242,497	2,568,979,846
STOCKS AVAILABLE FOR SALE	38,116,823	70,479,968	102,513,524	21,884,138	33,541,389	90,113,327	78,303,785	25,078,059	46,260,790	176,794,279	5,972,480,980
Stock in trade at year end (Note 30.4)	10,835,246	15,379,663	15,924,667	7,609,073	12,394,991	28,391,630	16,080,995	8,384,840	15,149,487	26,207,886	1,284,852,160
COST OF SALES & TRANSFERS	27,281,577	55,100,305	86,588,857	14,275,065	21,146,398	61,721,697	62,222,791	16,693,219	31,111,303	150,586,393	4,687,628,820

NOTE 30.2

OSUSALA - OVERHEADS
for the year ended 31st Dec. 2020

	Osusala Trading Colo. 07		Osusala Trading Colo. 04		Osusala Trading Colo. 01		Osusala Trading Kandy		Osusala Trading Nugegoda		Osusala Trading Avissawella		Osusala Trading Ratnapura		Osusala Trading Minu.		Osusala Trading Pandura		Osusala Trading Galle		Osusala Trading Matara		Osusala Trading Kurunegala						
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.						
A. ADMINISTRATIVE Ex																													
PERSONNEL EMOLUMENTS																													
Salaries, Wages & Allowances.	56,776,815	13,180,548	11,840,057	20,093,369	12,360,065	8,458,978	8,458,978	349,259	9,769,042	9,769,042	329,437	310,916	6,101,155	10,700,246	13,708,907	12,105,594	11,594,860	4,658,059	871,696	599,674	1,230,742	950,787	1,230,742	1,230,742	1,230,742				
Overtime.	583,384	106,778	106,778	169,722	113,382	80,775	80,775	79,593	329,437	329,437	42,671	42,671	75,627	75,627	121,583	96,496	98,792	474,478	158,654	38,576	518,488	115,804	143,658	38,394	63,664	120,787	194,601	258,804	82,558
Insurance for staff	6,770,770	1,548,671	1,413,072	2,381,545	1,450,767	992,153	992,153	1,131,221	1,131,221	1,131,221	1,131,221	714,303	1,210,858	1,600,920	1,451,752	1,340,107	795,150	175,500	162,000	256,500	162,000	94,500	94,500	108,000	108,000	148,500	148,500	135,000	
Annual bonus	4,413,182	999,065	906,477	1,458,456	905,522	560,649	560,649	642,160	642,160	642,160	417,798	50,095	716,526	856,510	885,974	761,909	119,271	95,900	23,312	451,363	-	169,845	9,923	50,095	109,452	15,386	131,318	22,522	
Annual per inc. bonus.	1,595,100	376,200	320,400	554,850	342,600	225,000	225,000	260,500	260,500	260,500	144,000	144,000	287,550	426,000	331,650	76,186,210	17,513,013	15,409,766	27,115,035	16,400,926	11,074,816	12,368,269	7,898,601	13,822,119	17,512,963	15,681,909	15,173,371		
Housing loan interest	12,638	2,683	22,638	17,570	3,040	19,290	19,290	18,140	18,140	18,140	46,982	46,982	25,815	4,500	21,934	87,360	12,638	2,683	22,638	17,570	3,040	19,290	18,140	18,140	18,140	18,140	18,140	18,140	
Attendance bonus	818,784	289,540	215,436	325,582	62,550	138,513	138,513	170,666	170,666	170,666	30,369	30,369	264,295	175,791	157,177	326,274	818,784	289,540	215,436	325,582	62,550	138,513	138,513	170,666	170,666	170,666	170,666	170,666	
Total	864,667	33,095	2,060	74,932	36,913	31,195	31,195	123,060	123,060	123,060	20,214	20,214	89,929	50,992	48,008	68,959	291,814	76,152	102,747	80,576	53,147	116,995	45,440	40,725	53,892	68,600	184,133	27,600	
REPAIRS & MAINTENANCE	4,000	55,660	-	38,500	-	-	-	37,950	37,950	37,950	60,939	60,939	149,811	167,742	300	1,300	1,160,481	164,907	104,807	194,007	90,060	148,190	206,450	60,939	149,811	167,742	232,441	97,859	
Buildings.	-	-	-	337,818	-	410,500	-	184,986	184,986	184,986	378,312	1,320,166	715,000	1,125,574	1,602,770	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture, fittings & equipment	352,980	152,460	138,600	72,605	-	22,257	-	6,350	6,350	6,350	-	-	3,000	22,992	35,007	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer	173,153	30,643	20,759	58,087	20,759	15,781	15,781	121,466	121,466	121,466	3,679	3,679	17,916	32,957	22,223	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,288,013	828,336	450,000	706,865	681,891	490,293	490,293	1,038,693	1,038,693	1,038,693	303,118	303,118	522,271	692,631	483,782	857,835	1,160,481	164,907	104,807	194,007	90,060	148,190	206,450	60,939	149,811	167,742	232,441	97,859	
TRANSPORTATION, COMMUNICATION UTILITIES & OTHER SERVICES																													
Rent/Amortization of ROU Assets	-	-	-	337,818	-	410,500	-	184,986	184,986	184,986	378,312	1,320,166	715,000	1,125,574	1,602,770	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease rent amortization	-	-	-	-	-	294,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rates & taxes.	352,980	152,460	138,600	72,605	-	22,257	-	6,350	6,350	6,350	-	-	3,000	22,992	35,007	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water bills	173,153	30,643	20,759	58,087	20,759	15,781	15,781	121,466	121,466	121,466	3,679	3,679	17,916	32,957	22,223	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity.	3,288,013	828,336	450,000	706,865	681,891	490,293	490,293	1,038,693	1,038,693	1,038,693	303,118	303,118	522,271	692,631	483,782	857,835	1,160,481	164,907	104,807	194,007	90,060	148,190	206,450	60,939	149,811	167,742	232,441	97,859	
Postage, Telegrams & Telephones.	449,989	165,233	72,845	132,019	122,470	110,272	110,272	49,885	49,885	49,885	106,338	106,338	81,223	47,414	79,054	103,542	2,947,255	917,902	578,509	632,350	1,099,535	904,159	618,585	150,724	351,573	290,969	426,165	541,784	
Depreciation	2,947,255	917,902	578,509	632,350	1,099,535	904,159	904,159	618,585	618,585	618,585	150,724	150,724	351,573	290,969	426,165	541,784	31,720	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Amortisation- Computer Software	-	-	-	-	-	38,898	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade subscriptions, Periodicals & Publications.	3,916,742	949,518	378,970	1,158,016	363,485	338,583	338,583	333,584	333,584	333,584	922,963	922,963	390,715	353,684	337,983	762,433	3,916,742	949,518	378,970	1,158,016	363,485	338,583	333,584	922,963	922,963	922,963	922,963	922,963	
Security services.	23,818	22,425	20,670	22,425	21,362	23,409	23,409	23,818	23,818	23,818	23,328	23,328	24,092	23,902	24,241	23,902	23,818	22,425	20,670	22,425	21,362	23,409	23,818	23,328	23,328	24,092	24,241	23,902	
License fees for drugs.	6,880	3,300	64,082	12,213	4,000	50	50	25,426	25,426	25,426	295	295	2,300	1,990	5,958	4,999	6,880	3,300	64,082	12,213	4,000	50	50	25,426	25,426	25,426	25,426	25,426	
Sundry expenses.	2,492,748	492,253	506,186	989,188	567,843	391,349	391,349	556,057	556,057	556,057	130,940	130,940	325,578	703,183	590,679	791,245	2,492,748	492,253	506,186	989,188	567,843	391,349	391,349	556,057	130,940	325,578	703,183		
Staff welfare.	826,151	162,731	174,187	280,169	195,100	120,000	120,000	135,000	135,000	135,000	73,221	73,221	135,000	194,745	156,666	152,650	826,151	162,731	174,187	280,169	195,100	120,000	120,000	135,000	73,221	135,000	194,745	156,666	
Staff medical expenses.	14,509,448	3,724,801	2,404,808	4,417,235	3,427,786	2,875,692	2,875,692	3,109,240	3,109,240	3,109,240	2,101,446	2,101,446	3,188,224	3,094,736	3,302,392	4,904,768	14,509,448	3,724,801	2,404,808	4,417,235	3,427,786	2,875,692	2,875,692	3,109,240	2,101,446	3,188,224	3,094,736		
Total	92,687,561	21,694,944	18,157,455	32,069,429	19,984,362	14,256,501	14,256,501	15,872,766	15,872,766	15,872,766	10,138,338	10,138,338	17,450,263	20,955,732	20,589,632	20,589,632	92,687,561	21,694,944	18,157,455	32,069,429	19,984,362	14,256,501	14,256,501	15,872,766	10,138,338	17,450,263	20,955,732		

NOTE 30.2

OSUSALA - OVERHEADS
for the year ended 31st Dec. 2020

A. ADMINISTRATIVE Ex PERSONNEL EMOLUMENTS

	Osu Sala Trading Ampara	Osu Sala Trading Hambantota	Osu Sala Trading A.pura	Osu Sala Trading Maharagama	Osu Sala Trading J.pura	Osu Sala Trading Karapitiya	Osu Sala Trading Negombo	Osu Sala Trading Badulla-cwe	Osu Sala Trading Diyathalawa	Osu Sala Trading Jaffna	Osu Sala Trading Polonnaruwa	Osu Sala Trading Ratmalana
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Salaries, Wages & Allowances.	4,863,119	7,218,296	10,746,188	21,346,357	11,573,355	8,018,445	8,018,445	7,778,775	3,939,275	5,884,505	7,273,707	2,112,336
Overtime.	714,172	906,819	449,832	2,157,756	564,082	655,636	655,636	662,763	393,617	355,535	603,394	149,815
Uniforms.	45,528	47,016	86,693	200,201	91,302	64,359	64,359	73,927	40,861	52,662	71,980	16,378
Insurance for staff	-	90,181	98,098	14,601	229,175	103,455	83,572	184,568	-	-	65,381	-
Provident fund (E.P.F & E.T.F)	581,165	622,288	870,488	1,243,247	2,499,880	1,339,110	896,875	898,610	477,099	672,425	840,286	253,829
Annual bonus	67,500	54,000	94,500	135,000	268,650	135,000	94,500	94,500	54,000	81,000	94,500	19,575
Annual per inc. bonus.	350,792	371,915	497,158	755,042	1,596,317	804,445	553,279	536,961	288,979	436,373	504,719	155,004
Housing loan interest	-	282,617	-	604,895	26,142	-	253,983	-	-	-	-	-
Attendance bonus	163,500	126,000	223,200	297,600	585,750	300,600	235,500	199,800	130,650	168,600	209,400	55,950
Total	6,785,776	7,243,235	10,257,869	13,728,147	29,488,981	14,937,491	10,602,165	10,683,887	5,324,481	7,651,100	9,663,367	2,762,887
TRAVELLING EXPENSES												
Local travelling expenses	-	1,500	10,040	404	1,360	8,250	19,140	10,298	1,150	15,300	950	43,252
Total	-	1,500	10,040	404	1,360	8,250	19,140	10,298	1,150	15,300	950	43,252
SUPPLIES & REQUISITES												
Printing & stationery.	102,779	116,587	144,738	167,132	398,066	224,527	121,553	88,091	20,135	127,060	250,827	84,428
Total	102,779	116,587	144,738	167,132	398,066	224,527	121,553	88,091	20,135	127,060	250,827	84,428
REPAIRS & MAINTENANCE												
Buildings.	9,896	5,983	23,636	18,966	1,683	74,051	9,250	14,487	12,455	57,267	28,601	7,307
Furniture, fittings & equipment	151,242	23,420	61,718	28,953	159,859	105,153	118,868	144,978	23,950	75,275	176,147	-
Computer	-	-	-	700	37,500	-	-	380	-	700	650	-
Total	161,138	29,403	85,354	48,618	199,041	179,204	128,118	159,845	36,405	133,242	205,398	7,307
TRANSPORTATION, COMMUNICATION UTILITIES & OTHER SERVICES												
Rent/Amortization of ROU Assets	-	602,173	777,399	1,655,891	1,020,000	1,419,643	1,166,842	-	-	-	-	-
Lease rent amortization	-	-	-	-	-	-	-	209,091	-	-	-	-
Rates & taxes.	-	13,505	5,500	-	-	13,703	-	15,047	9,952	5,500	-	-
Water bills	19,034	18,015	15,727	13,351	-	23,222	19,606	20,446	1,879	-	17,334	-
Electricity.	520,981	382,521	455,219	525,231	1,012,989	782,392	413,243	387,811	42,609	-	638,533	-
Postage, Telegrams & Telephones.	89,165	55,400	84,565	215,593	42,595	83,203	81,252	98,174	32,342	40,522	116,365	12,554
Depreciation	768,283	253,606	932,156	418,191	532,548	495,352	312,859	689,856	44,045	191,518	657,450	110,932
Amortisation- Computer Software	-	-	38,898	-	-	-	-	-	-	-	-	-
Trade subscriptions, Periodicals & Publications.	-	7,920	-	12,790	16,920	14,940	6,480	-	-	12,960	-	-
Security services.	334,800	333,550	518,121	351,175	935,163	352,457	297,441	403,717	-	352,017	831,367	-
License fees for drugs.	23,902	23,902	20,568	22,395	23,409	23,795	23,844	23,409	23,360	23,643	23,409	23,902
Sundry expenses.	2,139	412	1,500	95	2,796	1,967	-	2,831	80	1,030	740	-
Staff welfare.	264,294	307,982	458,501	307,577	969,421	572,765	374,125	428,320	184,523	351,828	348,798	88,691
Staff medical expenses.	74,783	73,706	105,000	155,416	314,425	146,245	104,980	120,000	53,620	90,000	105,000	-
Total	2,097,381	2,072,694	3,413,154	3,677,705	4,870,265	3,929,684	2,800,673	2,398,703	392,411	1,069,019	2,738,996	236,079
TOTAL ADMINISTRATIVE COST	9,147,074	9,463,418	13,911,155	17,622,006	34,957,713	19,279,155	13,671,649	13,340,825	5,774,582	8,995,720	12,859,538	3,133,953

NOTE 30.2

OSUSALA - OVERHEADS
for the year ended 31st Dec. 2020

A. ADMINISTRATIVE Ex PERSONNEL EMOLUMENTS

	Osu Sala Trading Tangalle	Osu Sala Trading Ragama Bandargana	Osu Sala Trading Fort	Osu Sala Trading Borella	Osu Sala Trading Embilipitiya	Osu Sala Trading KDY-Railway	Osu Sala Trading Campaha	Osu Sala Trading Nagoda	Osu Sala Trading Beruwala	Osu Sala Trading Piliyandala	Osu Sala Trading Ninthavur
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Salaries, Wages & Allowances.	7,009,492	7,649,458	6,276,321	5,134,634	5,569,748	5,218,612	7,320,109	5,702,251	4,889,125	6,561,317	4,054,677
Overtime.	282,084	449,191	151,062	163,924	257,482	685,384	477,451	359,292	640,501	243,210	463,324
Uniforms.	67,905	72,611	52,976	43,611	47,016	48,933	56,555	49,816	42,682	47,631	25,577
Insurance for staff	10,211	116,363	68,181	163,698	94,950	3,000	13,519	79,941	10,000	90,004	-
Provident fund (E.P.F & E.T.F)	833,708	872,431	725,693	605,696	634,413	627,374	809,742	659,890	588,022	756,773	438,055
Annual bonus	94,500	94,500	79,650	67,500	67,500	67,500	81,000	67,500	67,500	81,000	54,000
Annual per inc. bonus.	529,415	539,237	456,835	374,960	387,255	377,161	491,373	400,393	351,397	426,976	285,375
Housing loan interest	275,941	77,345	-	-	56,833	67,968	133,421	28,362	-	-	-
Attendance bonus	184,350	237,750	180,750	128,700	129,300	167,700	206,400	154,200	174,300	187,650	112,350
Total	9,287,606	10,108,885	7,991,467	6,682,723	7,244,497	7,263,632	9,589,569	7,501,644	6,763,527	8,394,561	5,433,358

TRAVELLING EXPENSES

Local travelling expenses

Total

SUPPLIES & REQUISITES

Printing & stationery.

Total

REPAIRS & MAINTENANCE

Buildings.

Furniture, fittings & equipment

Computer

Total

TRANSPORTATION, COMMUNICATION UTILITIES & OTHER SERVICES

Rent/Amortization of ROU Assets

Lease rent amortization

Rates & taxes.

Water bills

Electricity.

Postage, Telegrams & Telephones.

Depreciation

Amortisation- Computer Software

Trade subscriptions, Periodicals & Publications.

Security services.

License fees for drugs.

Sundry expenses.

Staff welfare.

Staff medical expenses.

Total

TOTAL ADMINISTRATIVE COST

	69,830	30,490	14,225	3,470	53,260	1,630	84,733	9,500	600	500	-
	69,830	30,490	14,225	3,470	53,260	1,630	84,733	9,500	600	500	-
	94,374	123,315	52,194	69,725	56,485	93,172	30,656	97,607	31,480	24,751	50,818
	94,374	123,315	52,194	69,725	56,485	93,172	30,656	97,607	31,480	24,751	50,818
	27,125	16,217	13,759	43,238	12,072	6,140	8,349	4,611	5,695	7,435	7,350
	50,166	33,202	16,415	43,962	90,377	70,990	41,008	42,435	125,420	31,121	14,791
	100	-	-	-	1,000	-	-	-	1,400	-	-
	77,390	49,419	30,174	87,200	103,448	77,130	49,357	47,045	132,515	38,555	22,141
	-	438,184	-	-	670,309	279,482	1,077,841	642,878	828,139	1,230,560	555,213
	19,835	2,000	3,000	-	3,000	5,796	-	-	5,800	-	-
	17,992	18,839	16,556	-	9,644	2,423	-	25,237	14,023	44,897	15,264
	664,182	473,613	251,511	-	364,289	209,501	351,526	309,664	258,526	459,858	279,525
	78,527	47,507	110,520	41,460	69,114	79,456	75,490	82,142	107,764	75,944	34,077
	822,082	291,138	217,510	367,450	367,181	897,722	730,643	750,636	991,622	857,683	564,308
	-	-	-	-	-	38,898	38,898	38,898	38,898	38,898	38,898
	6,600	9,430	6,810	7,620	4,440	5,940	-	-	-	-	-
	324,671	935,163	323,182	755,225	331,250	340,020	358,318	357,192	324,550	370,975	334,734
	20,670	24,092	23,844	23,902	23,360	22,425	23,818	23,844	20,230	23,409	24,092
	-	682	8	-	50	1,360	2,198	-	-	-	300
	372,949	333,534	156,492	151,075	254,164	282,778	284,582	149,389	238,675	290,408	208,341
	92,356	105,000	80,924	60,000	66,847	75,000	90,000	75,000	75,000	83,577	52,107
	2,419,864	2,679,182	1,190,357	1,406,732	2,163,649	2,240,801	3,033,314	2,454,879	2,903,227	3,476,208	2,106,858
	11,949,064	12,991,291	9,101,840	10,536,199	9,621,340	9,676,365	12,787,629	10,110,676	9,831,348	11,934,575	7,613,175

NOTE 30.4

OSUSALA TRADING STOCK

As at 31 st December	2020						2019					
	Bin Balance Rs.	Stock Adj. Rs.	Trading Stock in Hand Rs.	Prov. for Damaged & Outdated Stock Rs.	Unrealized Profit Rs.	Stock Rs.	Bin Balance Rs.	Stock Adj. Rs.	Trading Stock in Hand Rs.	Prov. for Damaged & Outdated Stock Rs.	Unrealized Profit Rs.	Stock Rs.
Colombo 07	179,397,981	(288,054)	179,686,035	354,010	3,797,646	175,534,380	162,733,045	(82,154)	162,815,199	139,273	3,772,169	158,903,757
Colombo 04	104,829,274	(20,773)	104,850,047	73,550	2,922,044	101,854,453	69,486,402	(2,185)	69,488,587	23,455	2,395,664	67,069,468
Colombo 01	74,189,314	(103,324)	74,292,638	351,366	2,502,055	71,439,218	38,113,856	(22,752)	38,136,608	288,823	1,424,178	36,423,606
Kandy	70,084,407	(11,279)	70,095,686	604,630	2,751,029	66,740,027	70,685,971	(4,802)	70,690,773	940,258	2,846,046	66,904,469
Nugegoda	35,874,185	89,891	35,784,294	264,099	1,085,603	34,434,593	43,070,517	147,035	42,923,483	197,553	1,109,395	41,616,535
Avissawella	15,920,941	(2,124)	15,923,065	101,130	656,198	15,165,737	13,842,066	62,344	13,779,721	87,882	769,148	12,922,691
Rathnapura	21,990,164	135,102	21,855,062	96,267	1,093,140	20,665,656	25,850,686	179,219	25,671,467	42,956	1,302,595	24,325,916
Minuwangoda	13,735,057	(159,772)	13,894,829	2,386	783,322	13,109,120	11,825,858	12,490	11,813,368	27,797	558,780	11,226,790
Panadura	38,102,748	5,614	38,097,134	59,393	1,729,868	36,307,874	36,451,228	14,591	36,436,637	15,201	1,485,732	34,935,705
Galle	21,136,337	11,625	21,124,712	57,143	971,811	20,095,758	21,012,907	(23,529)	21,036,436	86,734	947,617	20,002,085
Mataara	16,017,282	41,092	15,976,189	28,699	863,846	15,083,644	16,921,886	57,904	16,863,981	22,388	771,395	16,070,199
Kurunegala	63,597,482	3,513	63,593,969	204,089	2,650,712	60,739,168	60,981,221	42	60,981,178	67,343	2,664,167	58,249,668
Ampara	29,154,452	(6,122)	29,160,573	31,090	1,683,546	27,445,937	23,072,132	(24,597)	23,096,729	81,209	1,419,605	21,595,915
Hambantota	24,537,812	(16,670)	24,554,482	19,140	1,113,264	23,422,078	20,331,289	(19,055)	20,350,345	666	779,688	19,569,991
Anuradhapura	17,579,492	(19,822)	17,599,314	150,706	1,009,629	16,438,979	27,967,432	(20,852)	27,988,283	4,726	1,532,389	26,451,169
Maharagama	41,211,822	(10,572)	41,222,394	54,922	1,470,386	39,697,085	33,933,279	(29,375)	33,962,654	112,946	1,317,907	32,531,802
Jayawardanapura	46,560,343	(14,507)	46,574,850	149,427	1,274,480	45,150,943	48,831,109	16,430	48,814,679	75,249	1,415,813	47,323,617
Karapitiya	27,965,381	(4,591)	27,969,972	54,505	1,190,877	26,724,591	32,326,450	2,196	32,324,255	58,765	1,419,642	30,845,847
Negombo	15,917,021	(51,351)	15,968,372	4,036	545,446	15,418,890	14,361,841	(46,064)	14,407,905	5,071	420,738	13,982,096
Badulla - CWE	19,171,106	46,103	19,125,003	118,773	754,040	18,252,190	22,759,063	43,091	22,715,972	70,896	878,733	21,766,343
Diyathalawa	8,241,244	-	8,241,244	55,385	497,702	7,688,158	5,709,835	-	5,709,835	16,909	321,614	5,371,312
Jaffna	23,598,955	(5,195)	23,604,150	1,214	915,910	22,687,026	22,123,546	(154)	22,123,700	-	923,536	21,200,164
Polonnaruwa	25,857,082	(5,547)	25,862,629	18,267	1,315,021	24,529,341	24,822,919	(952)	24,823,870	24,024	1,361,666	23,438,180

NOTE 30.4

OSUSALA TRADING STOCK

As at 31 st December	2020						2019					
	Bin Balance Rs.	Stock Adj. Rs.	Trading Stock in Hand Rs.	Prov. for Damaged & Outdated Stock Rs.	Unrealized Profit Rs.	Stock Rs.	Bin Balance Rs.	Stock Adj. Rs.	Trading Stock in Hand Rs.	Prov. for Damaged & Outdated Stock Rs.	Unrealized Profit Rs.	Stock Rs.
Location												
Ratmalana	3,249,408	-	3,249,408	66,230	159,538	3,023,640	1,853,052	-	1,853,052	32,956	108,947	1,711,149
Tangalle	26,690,501	(8,093)	26,698,594	152,409	1,488,774	25,057,411	35,773,614	26,840	35,746,774	127,852	2,216,446	33,402,476
Ragama	23,250,249	(2,491)	23,252,740	-	1,144,448	22,108,292	22,223,758	(1,268)	22,225,026	-	1,068,910	21,156,116
Bandaragama	9,865,180	(1,127)	9,866,307	6,959	496,608	9,362,739	11,686,861	(9,401)	11,696,263	1,584	610,327	11,084,352
Fort - Station	13,063,743	(15,843)	13,079,586	8,733	448,830	12,622,023	12,458,442	46,308	12,412,134	23,281	506,970	11,881,883
Borella	6,847,881	14,185	6,833,696	86,302	301,096	6,446,298	6,988,648	(23,250)	7,011,898	21,093	256,497	6,734,308
Embilpitiya	13,974,916	60,793	13,914,123	139,391	656,100	13,118,631	11,842,913	25,447	11,817,465	94,653	568,222	11,154,590
KDY-Railway	13,177,368	18,947	13,158,421	154,184	596,011	12,408,226	9,970,136	17,657	9,952,480	174,068	444,276	9,334,136
Gampaha	23,694,031	201,687	23,492,344	76,698	1,304,702	22,110,945	17,129,358	126,394	17,002,964	63,542	835,717	16,103,706
Nagoda	22,314,724	(9,040)	22,323,764	44,698	1,187,447	21,091,618	20,551,934	6,423	20,545,512	30,676	974,403	19,540,433
Beruwala	9,602,194	(5,287)	9,607,482	2,907	437,784	9,166,790	9,610,047	(1,575)	9,611,622	2,866	403,112	9,205,644
Piliyandala	21,723,102	28,875	21,694,227	74,399	1,052,737	20,567,091	19,818,696	(28,346)	19,847,042	224,051	953,975	18,669,015
Ninthavur	6,370,501	31,067	6,339,434	205,789	375,415	5,758,230	5,370,578	23,387	5,347,191	334,996	279,341	4,732,854
Akkarapattu	10,835,246	2,378	10,832,868	104,493	523,037	10,205,338	9,229,320	(10,414)	9,239,733	72,231	441,768	8,725,734
Monaragala	15,379,663	(23,741)	15,403,404	68,862	885,447	14,449,095	20,450,113	(12,215)	20,462,328	39,922	973,570	19,448,837
Peradeniya	15,924,667	(16,210)	15,940,878	25,734	749,939	15,165,204	18,213,806	(14,106)	18,227,913	627	815,842	17,411,444
Anamadawa	7,609,073	6,897	7,602,176	750,925	277,823	6,573,428	9,699,985	16,346	9,683,639	31,758	457,468	9,194,413
Kotalawala defence Academy	12,394,991	18,223	12,376,768	48,685	398,282	11,929,802	6,588,939	3,019	6,585,920	787	256,673	6,328,460
Dambulla	28,391,630	67,145	28,324,485	3,460,998	1,097,763	23,765,723	47,477,624	(110,960)	47,588,583	194,864	2,046,965	45,346,755
Matale	16,080,995	(38,261)	16,119,255	1,791	664,501	15,452,963	15,709,011	(8,343)	15,717,355	-	699,211	15,018,144
Badulla Bus stand	8,384,840	37,739	8,347,101	196,999	430,008	7,720,094	10,905,672	(986)	10,906,658	10,996	525,833	10,369,829
Mathugama	15,149,487	15,908	15,133,579	14,259	677,617	14,441,702	9,306,865	4,684	9,302,181	9,660	523,114	8,769,407
Regional Stores Kandy	26,207,886	(3,177)	26,211,063	218,814	-	25,992,250	21,648,481	-	21,648,481	96,699	-	21,551,783
Total	1,284,852,160	(6,188)	1,284,858,348	8,764,486	48,931,482	1,227,162,381	1,201,722,391	334,510	1,201,387,881	3,979,288	47,805,803	1,149,602,790

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA NOTES TO THE FINANCIAL STATEMENTS

31. CAPITAL

There is no change in the Authorized Capital during the year ended 31st December 2020

CONTRIBUTED CAPITAL

Contributed Capital is made up by government grants amounting to Rs 59,055,258 as at 31 Dec. 2020.

32. GENERAL RESERVE

General Reserve	2020	2019
Balance as at 31 st December	Rs. 66,061,447/-	Rs. 66,061,447/-

General Reserve of the Corporation has been created out of the profits prior to year 1992, so as to meet future contingencies and not create for any specific purpose.

33. LIABILITIES AND PROVISIONS

The following legal cases are pending as of 31st December 2020, and the Corporation has been advised by the legal council that it is only possible, but not probable that the action will succeed. Accordingly, no provision has been made in these financial statements.

33.1. Contingent Liabilities

The Corporation is a defendant in eleven Cases where legal actions instituted by stakeholders of entities involved, claiming USD 454,522/- and LKR 8,517,577/- with the interest for delay payment. These cases are being contested by the corporation and no provision has been made in the financial statements.

33.1.1. LT Application No. LT4/G/28/2016 (Labour Tribunal Galle - Mr. H.C.R Pieris)

A case was filed in Labour Tribunal by an employee against the dismissal of his employment and the case was laid by due to the pending Magistrate Court case regarding the same matter.

33.1.2 LT Application No. 13/59/2017 (Labour Tribunal No 13. - Mr. M.N. Nayanajith)

The case was filed in Labour Tribunal Colombo by an employee against the dismissal of his employment.

33.1.3 Mrs C K Jayawardana Vs SPC - A3631

An application was filed by former Manager (Imports) Mrs C K Jayawardana against the demotion of the applicant.

33.1.4 Consumer Affairs Authority (Galle) Vs SPC - 45913

The Case has been filed in the Magistrate Courts, Galle against SPC by the Consumer Affairs Authority for a labelling issue.

33.1.7 Koprana Limited India Vs SPC

The above mentioned supplier has initiated arbitration against SPC to recover the withheld amount from the supplier from ongoing other contracts signed between SPC and the Supplier.

33.1.8 Arbitration - Sathuta Builders (pvt) Ltd vs SPC

Sathuta Builders (pvt) Ltd has initiated arbitration against SPC to recover Rs.8,517,577/- due to them for the construction of Stores Building – Ratmalana.

33.1.10 Court of Appeal (Writ) Application No.400/2018 - Markss HCL (pvt) Ltd vs SPC & Others

The Case has been filed by supplier Markss HCL pvt Ltd, Colombo 5 (bidder) against the decision of the tender board.

33.1.11 Sadaleka Amila Bashini Senanayaka Vs SPC and Others - 4/2017/Writ

Above mentioned Petitioner has filed a writ application to quash the procedure followed and all decisions made by the Seethawaka Urban Council, re-enact all written and verbal agreements and contracts that has made with the petitioner and to issue a writ to make all necessary arrangements to handover the possession of the premises given to the petitioner by the Urban Council.

33.2 The corporation is the plaintiff in four Cases claiming Rs. 12,253,965.64 with legal interest for the damages.

33.2.1 Osusala – Negombo - Case No. L 30202

Rs. 3,863,609.77 Cash loss reported at Rajya Osusala Negombo as a result of misappropriation of Osusala Funds by the Cashier. This contingent asset was not recognized in the financial report as the realization was not certain.

33.2.2 SPC Vs Nestor Pharmaceuticals Limited, India

A case has been filed by SPC against the M/S Nestor Pharmaceuticals Limited, India for not settling the Debit Note value USD 41,896 (LKR 4,813,512/-) against quality failures reported in their supplies.

33.2.3 SPC Vs Unibios Laboratories Ltd, India and Others

This case has been filed by SPC against the above-mentioned supplier for not settling the Debit Note value USD 10,604.80 (LKR 1,207,885.59) against quality failures reported in their supplies.

33.2.4 Lloyed Pharmaceuticals – Case No. 6799 M

SPC filed a case in district court Kalutara against the distributor Lloyed Pharmaceuticals to recover the outstanding dues of Rs. 2,368,958.28.

33.3 Financial Commitments

Document credit established for purchases of pharmaceuticals as at 31.12.2020 amounts to Rs.21,408 m

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's principal financial liabilities comprise of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Corporation's operations. The Corporation has trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Corporation is exposed to credit risk and liquidity risk. The Corporation's senior management oversees the management of these risks. The Board of Directors reviews and agrees to policies for managing each of these risks, which are summarized below.

Credit risk

Trade Receivables

Customer credit risk is managed by each business unit.

	2020	2019
SPC	Rs. 1,426,074,422	Rs. 1,341,855,283
DHS	Rs. 34,424,918,066	Rs. 27,854,818,156

The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The Corporation obtains bank guarantees as security for distributors, Franchised Osusalas & Authorized Retailers. In addition, a premium is charged from clients who wish to buy on credit in excess of the bank guarantee limit.

Liquidity risk

The Corporation's objective is to maintain a balance between continuity of funding and flexibility through the use of the bank. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended 31 December 2020:	(Rs.)	Maturity
Interest-bearing loans and borrowings	55,929,000	OD - Payable on demand
Long Term Loans	11,876,000,000	Repayable within 84 months
Trade and other payables	16,117,661,004	Usually 03 months

Year ended 31 December 2019:	(Rs.)	Maturity
Interest-bearing loans and borrowings	6,310,715,665	OD - Payable on demand
Trade and other payables	16,293,739,152	Usually 03 months

	2020 Rs.	2019 Rs.
Interest-bearing loans and borrowings	55,929,000	6,310,715,665
Long Term Loans	11,876,000,000	-
Trade and other payables	16,117,661,004	16,293,739,152
Less: cash and short-term deposits	(1,225,357,866)	(1,114,223,505)
Net debt	26,824,232,137	21,490,231,312
Equity		
Capital and net debt	39,154,771,501	32,046,559,383

35. RELATED PARTY TRANSACTIONS

35.1 Transactions with State and State - Controlled Entities

In the normal course of its operations, the Corporation enters into transactions with related parties. Related parties include the Government of Sri Lanka (State: as the ultimate owner of the Corporation), various government departments, and State - controlled entities. Particulars of transactions and arrangements entered into by the Corporation with the State and State - controlled entities which are individually significant and for other transactions that are collectively, but not individually significant are as follows:

Nature of the Transaction	2020	2019
Transactions:	Rs.	Rs.
Sales	54,323,564,615	42,959,659,808
Outstanding Balances :		
Receivable from Medical Supplies Division	34,424,918,066	27,854,818,156
Receivable from Forces	706,184,859	691,767,451
Receivable from Government hospitals	140,042,955	172,144,175
Receivable from Other Government Institutions	105,330,015	27,230,489

35.2 Key Management Compensation

The Corporation's key management personnel include the Board of Directors, Minister of Health Sri Lanka and the Secretary to the Ministry of Health Sri Lanka.

	2020	2019
	Rs.	Rs.
Short term employment benefits	4,038,290	4,314,833

36. EVENTS AFTER THE BALANCE SHEET DATE

Considering the report issued by the National Building Research Institute of Sri Lanka on the structural safety of SPC Head Office, The management has decided to temporarily move the SPC Head Office from No. 75, Sir Baron Jayathilaka Mawatha, Colombo 01 to "Mehewarapiyasa" Kirula Road, Narahenpita approximately for three years with rent - free until refurbishing the head office building. Approximately moving cost will be Rs. 15 mn.

Other material events after the balance sheet date have been considered and appropriate adjustment and disclosures have been made into the financial statement, where necessary.

NATIONAL AUDIT OFFICE

My No.: MSU/A/SPC/1/20/39

Your No.:

Date: 15th December 2021

Chairman,
State Pharmaceutical Corporation

Report of the Auditor General as per section 12 of the National Audit Act No. 19 of 2018; on the financial statements and other legal and regulatory requirements for the year ended from the 31st December 2020 of the State Pharmaceutical Corporation.

1. Financial Statements

1.1. Qualified Opinion

The notes applicable to the situation at 31st December 2020, along with Comprehensive Income Statement, Declaration of change of title as well as cash flow statement and financial statements for the year ended from that date, the financial statements for the year ended from 31st December 2020 comprised of important abridged accounting standards of the State Pharmaceutical Corporation of Sri Lanka was audited under my directions in pursuance of the provisions of the National Audit Act No. 19 of 2018 and the Financial Act No. 38 of 1971 to be read in conjunction with Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report in par with the Article 154 (6) of the Constitution of Sri Lanka will be produced before the Parliament in due course.

Apart from the facts described in the section basis for the qualified opinion of my report, the financial statements of the Corporation exhibit an accurate and justified financial situation at 31st December 2020 and its financial behavior as well as the cash flow for the year ended from that date in pursuance of Sri Lankan Accounting Standards.

1.2. Basis for the Qualified Opinion

- (a) Although assets and liabilities should not be compensated unless permitted or allowed by one of Sri Lanka Accounting Standards, in terms of paragraph 32 of Sri Lanka Accounting Standard 1, credit balance of Rs. 13,396,192 existed in agent commissions account that was to be paid as at 31st December 2020 had been compensated and indicated against the debit balance of Rs. 42,293,145 at that date.
- (b) In par with paragraph 36 (a) of Sri Lanka Accounting Standards No.2, although the accounting policies used in calculating the stock taking should be revealed in financial statements along with the cost matrix utilized, no such revelation had been taken place in regard to balance stocks in pharmacies.
- (c) As per paragraph 51 of Sri Lanka Accounting Standards 16, although fixed assets of Rs. 29,837,202 which was the cost as at 31st December 2020 had been totally depreciated the same had been utilized further due to not reviewing the residual value and useful life time annually. Accordingly, the estimated error had not been revised as per Sri Lanka Accounting Standards No. 8.
- (d) Although the difference between the cost of remaining stocks at the pharmacies as at 31st December 2020 and the exchange value of those stocks should be identified, Rs. 48,931,428 which was similar to 7.42 percent from the stocks exchange value had been reserved as unearned profits without precisely identifying the cost of remaining stocks.
- (e) Although accounting 03 credits cards to the value of Rs. 30,282,054 twice pertaining to the year 2018 and cancellation of 07 credit cards to the value of Rs. 10,835,340 pertaining to the year 2019 later

should have been corrected to suit the past, buy and sell accounts was shown as Rs. 39,535,956 each while service charges revenue account was shown Rs. 1,581,438 less in the year under review due to adjusting them in the accounts of the reviewed year.

- (f) The value of buying and selling that was not accounted even by 24th March 2021 which was the day of audit amounted to Rs.58,685,610 and the service charges revenue too had not been accounted due to unavailability of invoices along with receipts for goods in relation to the medical supplies arrived from 15 suppliers over the past few years to the medical supplies division.
- (g) According to the information furnished for the audit, no action had been taken to recover an amount of Rs. 92,027,203 from suppliers which had occurred due to failed standards medical supplies procured from local and international market for marketing under the Corporation; in relation to the period from the year 2015 to 2020, as well as the shortages of supply, availability of requested supplies and availability of damaged stocks etc. as at 31st December 2020 or take them into book or reveal them.
- (h) According to the financial statements furnished for audit, only a difference of Rs. 20,232,600 was pointed out since the cost of quality failed medical supply value amounted only to Rs. 91,606,852 according to the physical stock survey record at the date although the quality failed medical supplies cost was Rs. 111,839,453 as at 31st December 2020 out of the medical supplies procured for marketing via pharmacies from the year 1996 to 2020.
- (I) As per the financial situation statement at 31st December 2020, 94.6 percent of the total debtors or Rs. 34,424,918,066 should be recovered from the medical supplies division, but according to the account of the Ministry of health, the balance appeared a Rs. 34,020,002,552. Therefore, the difference was Rs. 404,915,514.
- (j) Balance confirmations had only been submitted for Rs. 1,287,260,457 applicable to 386 trade debtors which was 90 percent of the balance of Rs. 1,426,074,422 applicable to 833 trade debtors while balance confirmations to confirm the balance of Rs. 138,813,965 relevant to the balance 447 trade debtors were not submitted for audit.
- (k) Balance confirmations had only been furnished for Rs. 1,501,864,093 applicable to 141 trade creditors which was 85 percent of the balance of Rs. 1,769,840,999 relevant to 242 trade creditors at 31st December 2020 while balance confirmations to confirm the balance of Rs. 267,976,906 applicable to 101 trade creditors were not furnished for audit.

I performed the audit according to Sri Lanka Audit Standards. My responsibility under these audit standards have been further described in the part Auditors' Responsibility on Financial Standards Auditing in this report. It is believed that the audit evidences obtained by me provide base for my qualified opinion are sufficient and appropriate.

1.3. Other information included in the annual report 2020 of the Corporation.

Those meant by other information are the information not included in my audit report of financial statements and on them although included in the Corporation's annual report for 2020 which is expected to be forwarded to me after the date mentioned in this audit report. The management should be responsible for these other information.

Other information is not covered from my opinions regarding the financial statements and I do not lodge any certification or opinion regarding that matter.

According to my audit on financial statements, my responsibility is to read the other information identified when they are reachable and consider whether other information has any contradiction with the financial statements according to my knowledge either obtained at the audit or at any other way of quantity.

If I find out that there are quantity erroneous indications when reading the annual report 2020 of the Corporation, those should be communicated to the parties that govern / administer. If there are further erroneous indications that have not been corrected, I would include them in the report to be tabled in the Parliament in the future as per Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

1.4. Responsibilities of the management and governing parties on financial statements.

It is the responsibility of the government to decide on preparation of these financial statements according to Sri Lanka Accounting Standards as well as presenting them justifiably and decide the internal administration that is required to enable preparation of financial statements without occurrence of quantity erroneous statement that may result due to frauds and errors.

It is the responsibility of the management to decide the capability of continuation of the Corporation, when preparing financial statements and it is the responsibility of the management to reveal the details relevant to book keeping and continuation of the Corporation based on the continued existence if not attempting to suspend operation due to the management intends to liquidate the Corporation or when there is no other option.

The responsibility of supervising the financial reporting process of the Corporation lies with governing parties.

In terms of sub section 16 (1) of the National Audit Act No.19 of 2018, books and reports on revenue, expenditure assets and liabilities should be maintained to enable preparation of annual and contemporary financial statement of the Corporation.

1.5. Responsibility of the auditor on auditing financial statements.

My objective is to provide a fair confirmation indicating that the financial statements are void of quantity erroneous statements occurred due to frauds and errors therein issue the audit report comprised of any audit report. Although the justified certification is an advanced certification it will not be a confirmation indicating that a quantity erroneous statement will be always revealed. Quantity erroneous statements will be generated due to individual and group influence in frauds and errors while its quantity depends on the impact caused to the economic decisions taken by the readers based on these financial statements.

At the audit, I have acted with professional judgement and professional doubtfulness as a part of the audit as per Sri Lankan Auditing Standards. Furthermore, I have,

- Planned and implemented appropriate audit procedures according to the situation for identifying and evaluating the risks of quantity false statements probable to be occurred in the financial statements due to fraudulent matters when accomplishing a base for the audit opinion stated. The effect caused by a fraud is greater than the impact from a quantity false statement due to the erroneous exhibition because they are caused due to disadvantages, forgery, intentional negligence, erroneous exhibit or void of internal control.
- Obtained an understanding about the internal administration to plan suitable audit procedures according to the situation, although not with the intention of expressing an opinion with regard to the productivity of the internal administration.
- Evaluated the appropriateness of the accounting policies utilized the justification of accounting estimations and related revelations performed by the management.
- Decided the relevance of utilizing the basis of uninterrupted existence of the institution for accounting based on the audit evidences obtained in relation to whether a quantity uncertainty related to uninterrupted existence of the Corporation prevails due to incidents and circumstances. If I decide that there are sufficient / considerable uncertainties, attention should be drawn to the revelations in

my audit report regarding those facts and, if those revelations are not enough, my opinion should be modified. However, depending on the future activities and the situations the continuous existence may come to an end.

- Report on other legal and regulatory requirements.

2.1 Special provisions in regard to following requirements are included in National Audit Act No. 19 of 2018.

- 2.1.1. In accordance with the requirements appeared in section 12 (a) of in National Audit Act No. 19 of 2018 I have obtained all information and clarifications required for the audit apart from the impact caused from the facts described in the part the basis for the qualified opinion in my report while I observe that the Corporation has maintained proper financial statements.
- 2.1.2. In terms of the requirement mentioned in section 6 (1) (d) (iii) in National Audit Act No. 19 of 2018 the financial statements of the Corporation adjust with the last year.
- 2.1.3. Apart from the observations indicated in paragraphs (a) and (b) of 1.2 of this report, the financial statements are comprised of recommendations I have given last year as per the requirements mentioned in section 6 (i) (d) (iv) of National Audit Act No. 19 of 2018.

2.2 Nothing was brought into my attention to make the following statements, subject to the actions followed, as well as based on the evidences obtained and limiting to quantity of facts.

- 2.2.1. As per the requirement mentioned in section 12 (d) of National Audit Act No. 19 of 2018, a certain member of the governing board of the Corporation has some kind of relationship to some agreement directly or indirectly apart from the general business circumstances.
- 2.2.2. As per the requirement of section 12 (f) of National Audit Act No. 19 of 2018, apart from the following observations, operations have been performed against the relevant written law or any other general or special provisions issued by the governing board of the Corporation.

Reference of rules and regulations	Observations
(a) Sections 10 (5) of the Act No. 38 of 1971	Although the net surplus income balance after Financial performing appropriation mentioned in the act which remains each year from the surplus of the State Corporations should be credited to the consolidated fund, the Corporation had not performed according to any such manner.
(b) Financial Regulation of the Democratic Socialist Republic of Sri Lanka	
i). Financial regulation 103, 104 and 105	Actions had not been taken as per the financial regulations in relation to the quality failed stocks in the previous year and the year under review which amounted to the cost of Rs. 33,426,765 at that date along with the expired stocks of the previous year and the year under review which was Rs. 121,894,183 at 31 st December 2020.
ii). Financial regulation 135, 136, 137, 138, and 139	Although an annual written entrust of financial powers should be done for entrusting powers for the expenditure of the Corporation, approval, certification and payments, such financial power entrusting had not taken placen and only the authority to sign cheques had been transferred.

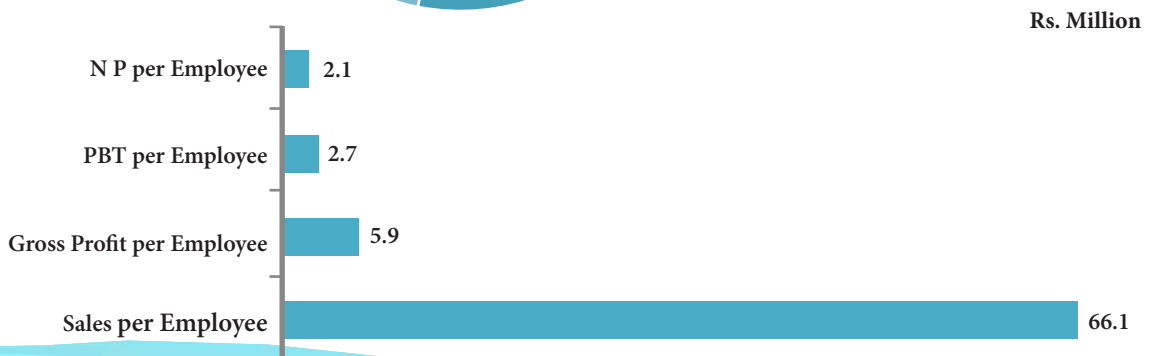
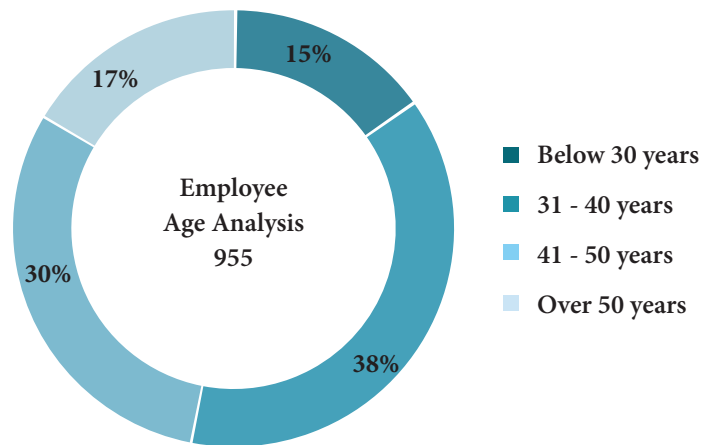
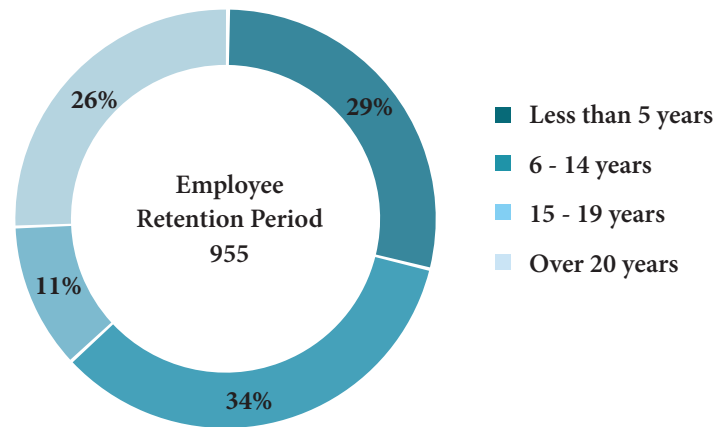
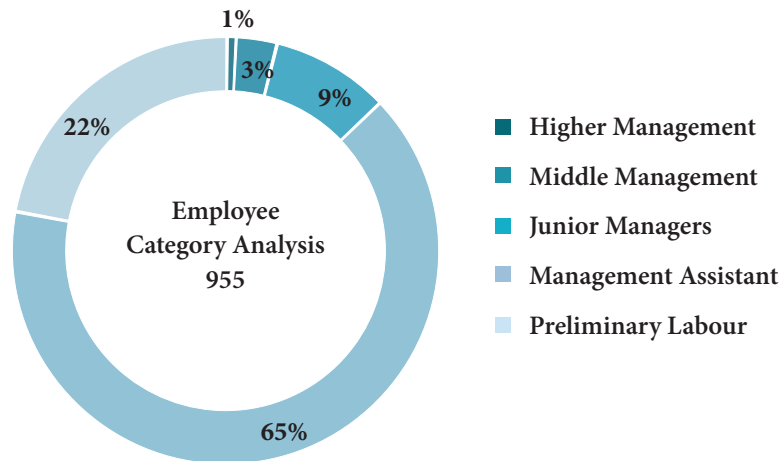
2.3 Other factors.

- (a) Accumulated corporated plan and action plan had not been prepared for the year 2020.
- (b) Due to supply of quality failed and damaged medicine as well as availability of a shortage in the supply of medicine, the credit vouchers issued to the suppliers for recovering the cost, administrative charges and destroying fee of the said stock amounted to Rs. 2,239,861,299 by 31st December 2020. However, the Corporation had failed to recover Rs. 807,480,290 out of that even by 30th September 2021. The recoveries were uncertain since an amount of Rs. 680,605,447 that had not been recovered even by September 2021 out of them had to be recovered from bad documented suppliers. Furthermore, 14 medical supply items out of that, were medicine purchased for the medical supplies division for the year 2020 to the cost of Rs. 95,538,382 which was the quality failed cost.
- (c) During the reviewed year a cost of Rs. 30,644,185 of 07 medical supply items temporarily rejected by the medical supplies division and a cost of 06 damaged medical supplies to the value of Rs. 402,948 had been failed to be recovered by the Corporation even by 30th September.
- (o) No appropriate actions had been taken to recover Rs. 1,134,328 of advance existed from 5 to 12 years receivable from suppliers amounts to Rs. 378,322,306 at 31st December 2020 and Rs. 988,247 of claims receivable from suppliers of Rs. 32,353,084 at that date which existed for more than 02 years.



W.P.C. Wickramaratne,
Auditor General.

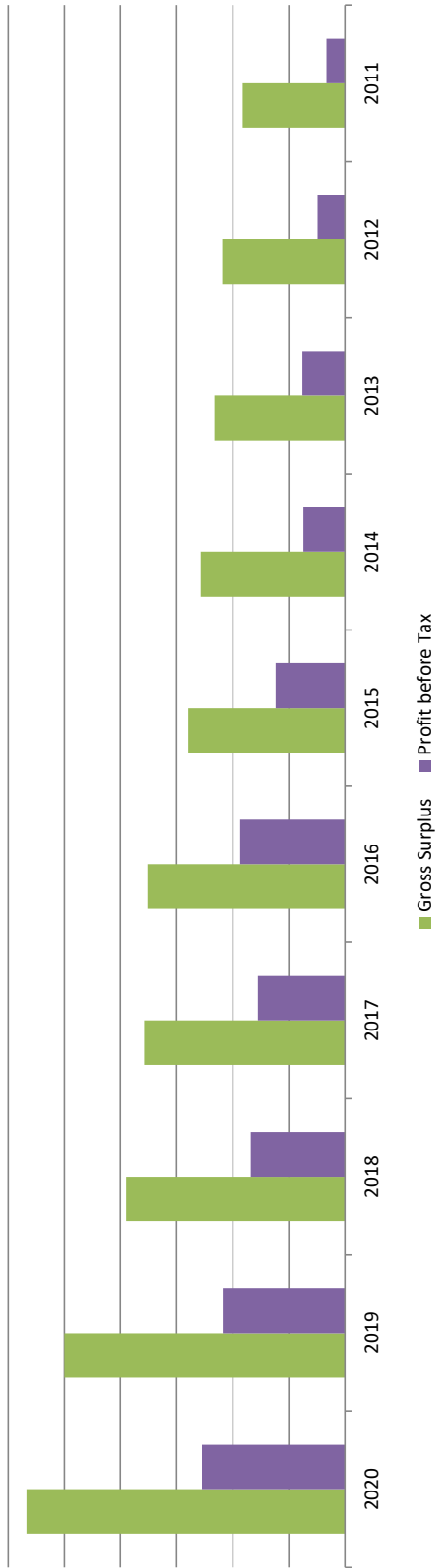
STATE PHARMACEUTICALS CORPORATION OF SRI LANKA HUMAN RESOURCES ANALYSIS



TEN YEAR SUMMARY - INCOME STATEMENT

TURNOVER	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Description	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Turnover - SPC	8,798,047	8,924,850	7,458,320	6,593,401	6,127,478	5,286,876	4,865,151	4,320,300	4,283,232	4,806,170
Turnover - DHS	54,323,565	42,959,660	31,436,986	25,970,290	26,127,912	19,176,807	17,269,008	16,815,666	16,608,492	12,569,290
Total Turnover	63,121,612	51,884,510	38,895,306	32,563,691	32,255,390	24,463,683	22,134,159	21,135,966	20,891,724	17,375,460
Gross Trading Profit - SPC	2,249,676	2,279,155	1,772,559	1,680,368	1,656,938	1,410,722	1,247,074	1,136,403	991,541	1,043,453
Gross Surplus - DHS	3,415,072	2,717,507	2,125,052	1,887,026	1,850,650	1,386,731	1,333,198	1,185,004	1,193,214	780,735
Gross Surplus	5,664,749	4,996,662	3,897,611	3,567,394	3,507,588	2,797,453	2,580,272	2,321,407	2,184,755	1,824,188
Overheads										
Other Income	287,363	91,441	73,072	53,004	43,085	51,259	25,738	17,537	15,105	23,231
Administrative Expenses	(-1,753,834)	(1,619,555)	(1,532,485)	(1,288,183)	(1,101,435)	(1,057,970)	(969,744)	(786,904)	(670,635)	(614,019)
Other Operating Expenses	(-962,078)	(971,096)	(691,967)	(741,459)	(580,843)	(563,357)	(749,825)	(791,794)	(745,230)	(492,631)
Operating Profit	3,236,200	2,497,452	1,746,231	1,590,756	1,868,392	1,227,385	886,441	760,246	783,995	740,769
Finance Cost	(-10588)	(10,763)	(1,512)	(1,295)	(1,071)	(1,599)	(124)	(227)	(17)	(3,661)
Overdraft Interest	(-686,878)	(317,470)	(67,406)	(35,199)	(5,434)	(734)	(149,659)	(1,384)	(290,877)	(419,235)
Total Overheads	(3,413,378)	(2,918,884)	(2,293,370)	(2,066,136)	(1,688,783)	(1,623,660)	(1,869,352)	(1,580,309)	(1,706,759)	(1,529,546)
Finance Income	6891	6,875	7,436	5,765	5,721	5,086	4,896	4,357	3,959	4,102
Profit before Tax	2,545,624	2,176,094	1,684,749	1,560,027	1,867,608	1,230,137	741,554	762,992	497,060	321,975
Taxation	576,401	512,225	756,823	470,595	625,863	610,539	192,145	320,008	205,282	228,473
Net Profit for the period	1,969,224	1,663,869	927,926	1,089,432	1,241,744	619,598	549,409	442,984	291,778	93,502
Defined benefits plan	191,755	(1,926)	30,453	(59,575)	10,049	239,887	(212,044)	(31,574)	(14,281)	11,325
Total comprehensive Income	2,160,979	1,661,943	958,380	1,029,856	1,251,794	859,485	337,365	411,410	277,497	104,827

TEN YEAR SUMMARY - Cont.



RATIOS

Description	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	RS:'000'
Gross Profit Ratio - SPC (%)	25.57	25.5	23.8	25.5	27.04	26.68	25.63	26.3	23.15	21.71	
Gross Profit Ratio - DHS (%)	6.29	6.33	6.76	7.27	7.08	7.23	7.72	7.05	7.18	6.21	
Gross Surplus to Sales (%)	8.97	9.63	10.02	10.96	10.87	11.44	11.66	10.98	10.46	10.50	
Annual Sales Growth (%) - SPC	(1.42)	19.66	13.12	7.60	15.90	8.67	12.61	0.9	(10.88)	14.49	
Annual Sales Growth (%) - DHS	26.45	36.65	21.05	(0.60)	36.25	11.05	2.6	1.2	32.1	14.59	
Total Sales Growth (%)	21.66	33.40	19.44	0.96	31.85	10.52	4.72	1.17	20.24	14.57	

TEN YEAR SUMMARY - STATEMENT OF FINANCIAL POSITION

Description	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	RS.'000'
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
TURNOVER											
Contributed Capital & Reserves	125,117	125,117	125,117	125,117	125,117	125,117	125,117	125,117	125,117	125,117	3,502,607
Current Assets											
Inventories - SPC	2,751,098	2,802,020	2,754,287	1,798,403	2,009,502	2,364,091	1,385,477	1,703,222	1,231,857	987,733	
Stocks in Transit - DHS	1,314,756	280,723	286,587	630,130	540,693	788,342	528,710	809,462	734,963	1,985,991	
Trade and other receivables	33,682,452	27,299,630	16,319,413	7,901,244	4,521,175	3,051,445	2,370,323	8,881,602	11,113,022	5,123,702	
Deposits & Prepayments	100,917	53,931	61,219	57,979	37,614	33,046	37,964	32,948	24,073	24,479	
Cash in Hand & at Bank	1,225,358	1,114,223	1,021,185	312,050	244,947	790,525	801,717	1,200,667	216,359	600,807	
Total Current Assets	39,074,581	31,550,527	20,442,691	10,699,807	7,353,931	7,027,449	5,124,191	12,627,901	13,320,274	8,722,712	
Current Liabilities											
Trade and other Payables	16,117,661	16,293,739	10,423,896	3,996,134	2,657,620	3,347,410	2,235,194	3,649,362	3,032,684	1,784,156	
Income tax payables	475,496	352,117	438,060	337,976	519,770	397,758	180,617	290,045	191,440	219,332	
Deferred Income	1,800	1,461	1,345	927	1,103	1,005	748	889	1,292	318	
Lease Liabilities	19,870	19,187									
Current Financial Liabilities	55,929	6,310,716	2,639,033	1,361,444	39,703	56,689	78,739	6,254,353	7,896,709	4,716,655	
Long Term Loans	491,355										
Total Current Liabilities	17,162,111	22,977,220	13,502,334	5,696,481	3,218,196	3,802,862	2,495,298	10,194,649	11,122,125	6,720,461	
Non Current Assets	2,329,488	2,277,480	2,225,337	2,179,335	2,166,630	2,156,615	2,138,973	1,858,832	1,698,279	1,605,438	
Non Current Liabilities	11,908,162	294,459	271,308	264,651	192,213	233,394	372,220	158,803	124,558	105,082	
Net Assets	12,333,796	10,556,328	8,894,386	6,918,010	6,110,152	5,147,807	4,395,646	4,133,281	3,771,870	3,502,607	
RATIOS											
Fixed Assets Turnover (times)	1:27.1	1:22.78	1:17.48	1:14.94	1:14.89	1:11.34	1:10.35	1:11.37	1:12.3	1:10.82	
Current Ratio (times)	2.28	1:1.37	1:1.51	1:1.88	1:2.29	1:1.85	1:2.05	1:1.24	1:1.2	1:1.3	
Liquidity Ratio (times)	2.11	1:1.24	1:1.29	1:1.45	1:1.49	1:1.02	1:1.29	1:0.99	1:1.02	1:0.86	
Interest Cover (times)	4.66	7.85	25.99	45.32	344.69	1676.94	5.95	552.29	2.71	1.77	
Stock Turnover Ratio (times) SPC	2.36	2.39	2.5	2.58	2.04	2.07	2.34	2.17	2.97	3.83	

SALES NETWORK

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Kandy. Tel. 081-2240274

Osusala – Akkaripattu No.74, T.D.02 Main Street, Akkaripattu. Tel.067-2057625	Osu Sala - Ampara Temple Junction, D. S. Senanayaka Mawatha, Ampara. Tel.063-2223088	Osu Sala – Anamaduwa Opposite Bus Stand, Uswawa Road, Anamaduwa Tel. 032- 2263999	Osu Sala - Anuradhapura Bank Street, Anuradhapura. Tel.025-2222181	Osu Sala - Avissawella G 33/34/35, Central Bus Stand, Avissawella. Tel.036-2222501
New Osu Sala - Badulla CWE Building, Bandarawela Road, Badulla. Tel.055- 2229837	Osu Sala – Badulla (II) Bus- stand, Badulla. Tel.055- 2224700	Osu Sala –Bandaragama Hospital Premises, Horana Road, Bandaragama. Tel.038-2288671	Osu Sala – Beruwala MPCS Building, Galle Road, Beruwala. Tel.034- 2278578	Osu Sala –Borella Lady Ridgway Premises, Borella. Tel.011-2697660
Osu Sala - Colombo 1 75, Sir Baron Jayatillake Mawatha, Colombo 1. Tel.011-2328046	Osu Sala - Colombo 4 85, Galle Road, Colombo 4. Tel.011-2587128	Osu Sala - Colombo 7 255, Dharmapala Mawatha, Colombo 7. Tel.011-2694716, 011-2672293	Osu Sala – Dambulla 46/A, Kurunegala Junction, Dambulla Tel.066- 2285133	Osu Sala –Diyathalawa Main Street, Diyathalawa. Tel.055- 3551624
Osu Sala – Embilipitiya 102, Pallegama, Embilipitiya. Tel. 047-2261177	Osu Sala – Fort Fort Railway Station, Fort. Tel. 011-2336926	Osu Sala - Galle 61A Wakwella Road, Galle. Tel.091-2234726	Osu Sala – Gamapaha 266, Colombo Road Gampaha. Tel.033-2234516	Osu Sala - Hambantota No.3 Barrack Street, Hambantota. Tel.047-2222163
Osu Sala – Ja’pura Sri Jayawardhanapura General Hospital, Sri Jayawardhanapura. Tel.011-2779414	Osu Sala – Jaffna 149A, K.K.S Road, Jaffna. Tel. 021- 2219262	Osu Sala – K.D.U Kothalawala Difence Univercity Hospital Premises, Werahara. Tel.011-2044595	Osu Sala - Kandy 14A Lamagara Mawatha, Kandy. Tel.081-2225175	Osu Sala – (Kandy Railway) Kandy Railway Station, Kandy. Tel.081-2225176
Osu Sala – Karapitiya 175,Hiribura Road, Karapitiya. Tel.091- 2226947	Osu Sala – Kurunegala 28. Weerathunga Bldg. Baudhaloka Mawatha. Kurunegala. Tel.037-2230840	Osu Sala – Maharagama 71/9 Alwis Building Old Road, Maharagama. Tel.011-2745640	Osu Sala – Matale No 110, Darmapala Mawatha, Mathale. Tel.066-2220126	Osu Sala - Matara 23B Charikaramaya Anagarika Dharmapala Mawatha, Matara. Tel.041-2231871
Osu Sala – Mathugama No 126, Kaluthara Road, Mathugama. Tel.034-2248861	Osu Sala-Minuwangoda 24. Old Town hall Bldg, Colombo Road, Minuwangoda. Tel.011-2295120	Osu Sala - Monaragala 31, Pothuwil Road, Monaragala. Tel.055-2277712	Osu Sala – Nagoda 313, Mathugama Road, Nagoda, Kalutara. Tel.034-2222818	Osu Sala – Negombo 134, Colombo Road, Negombo. Tel.031-2228599
Osu Sala – Nintavur No. 40, Main Street, Nintavur. Tel.067- 2058208	Osu Sala - Nugegoda 145A/1, S de S Jayasinghe Mawatha, Nugegoda. Tel.011-2856641	Osu Sala - Panadura 159, M.P.C.S Bldg, Galle Road, Panadura. Tel.038-2234767	Osu Sala - Peradeniya 1157,Gatambe, Peradeniya. Tel.081-2386045	Osu Sala - Piliyandala 1A/21, Vidyala Mawatha, Piliyandala. Tel. 011- 2613640
Osu Sala – Polonnaruwa Hospital Junction, Kaduruwela Road, Polonnaruwa. Tel.027-2225465	Osu Sala – Ragama No.61A, Mahabage Road, Ragama. Tel. 011-2955219	Osu Sala – Ratmalana Mega Sathosa, Golomadama Junction, Galle Road, Rathmalana. Tel. 011-3043789	Osu Sala - Ratnapura 32 Nanda Ellawala Mawatha, Ratnapura. Tel.045-2223014	Osu Sala – Tangalla No.8, Indipokunugoda Road, Tangalla. Tel. 047-2241221
Osu Sala – Narahenpita No. 44, Economic Center, Narahenpita Tel. 011-2055284	MARKETING & SALES DEPARTMENT No.75, Sir Baron Jayatillake Mawatha, Colombo 1. Tel.011-2430778, 011-2328507, 011-2320356-9			

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